

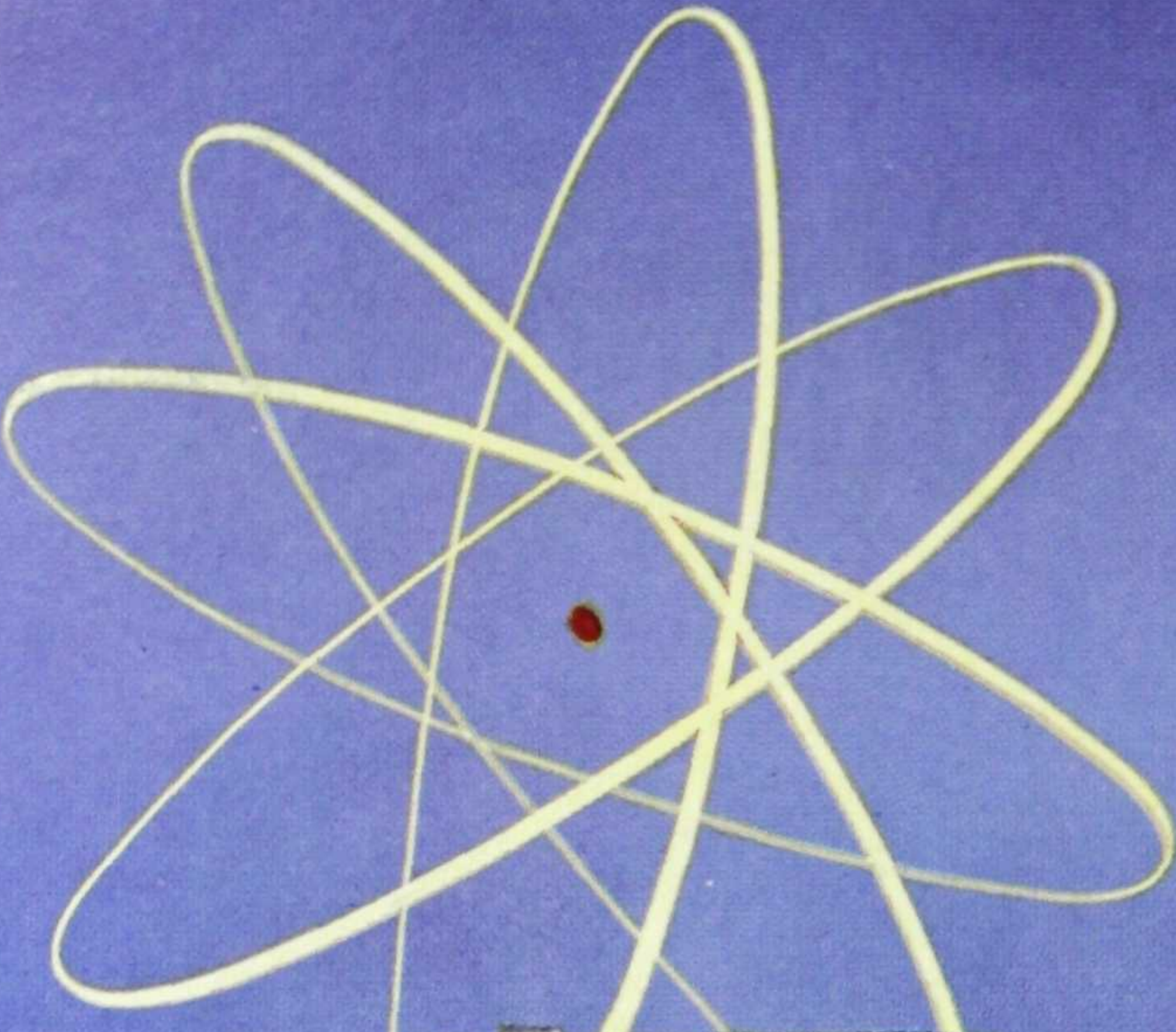
# Nation's BUSINESS

AUGUST 1951

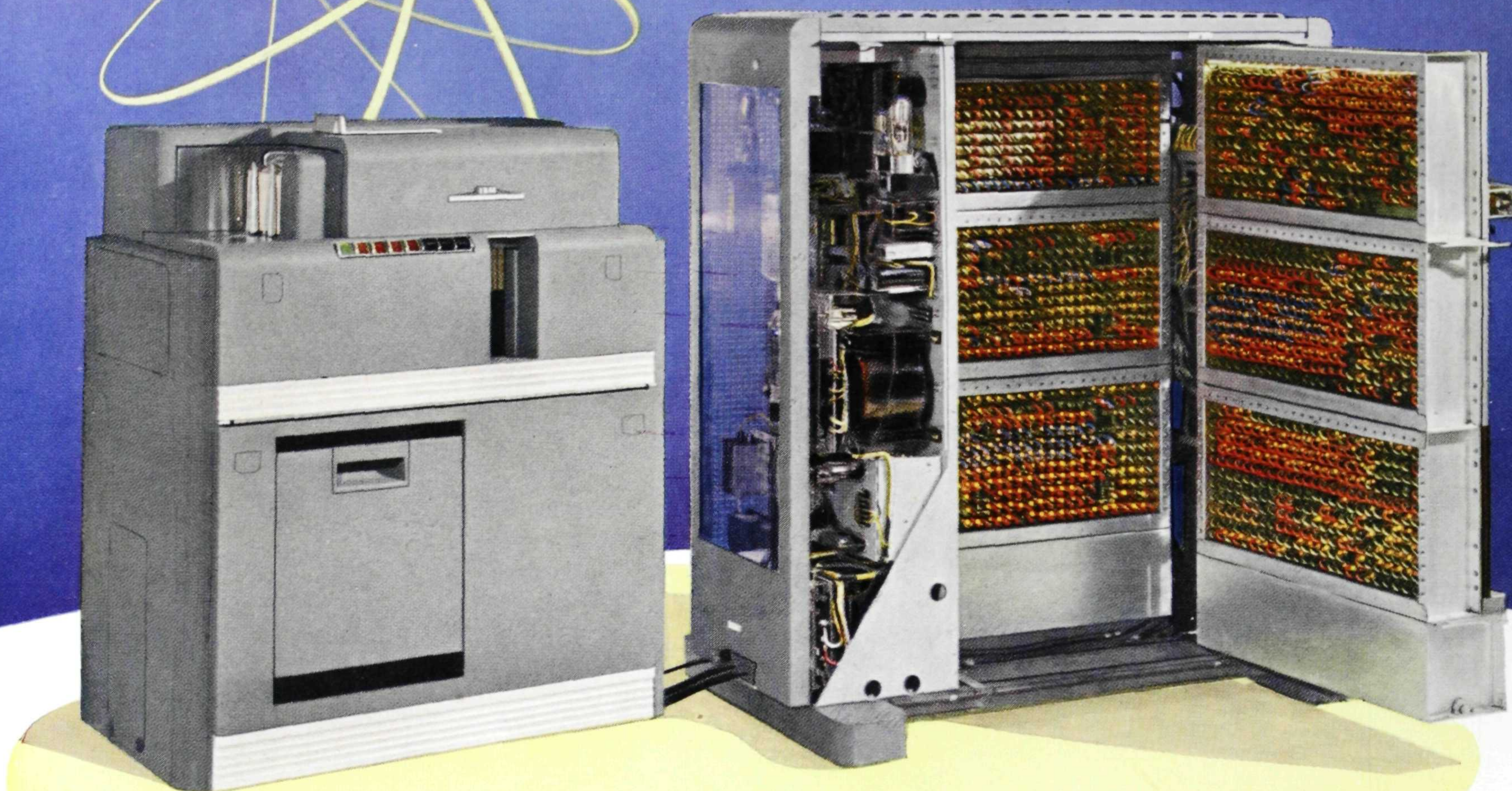
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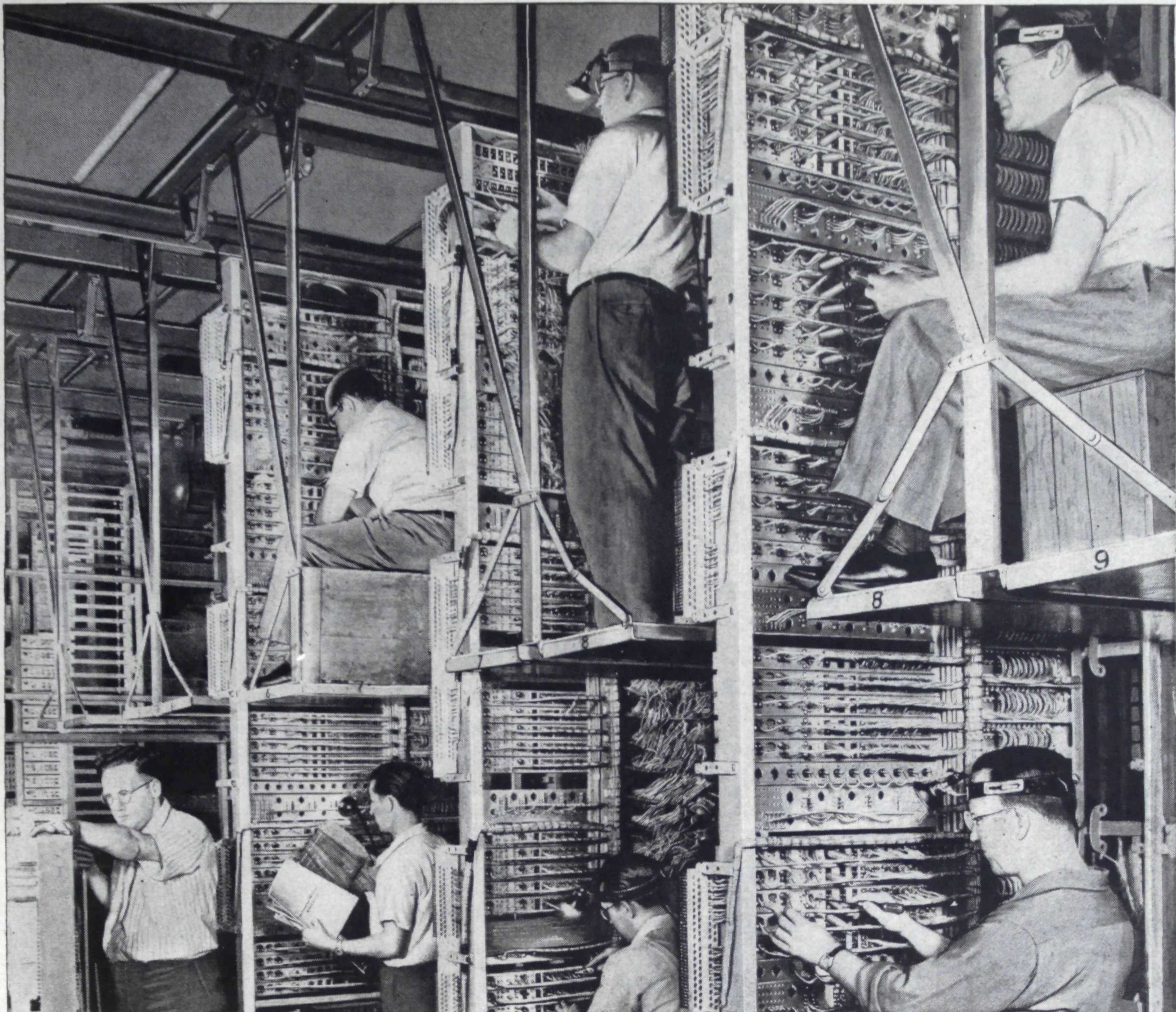
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**IN ADDITION**, we're busily applying our long Bell System experience to making special electronic and communications equipment needed by the Armed Forces for the protection of this country.

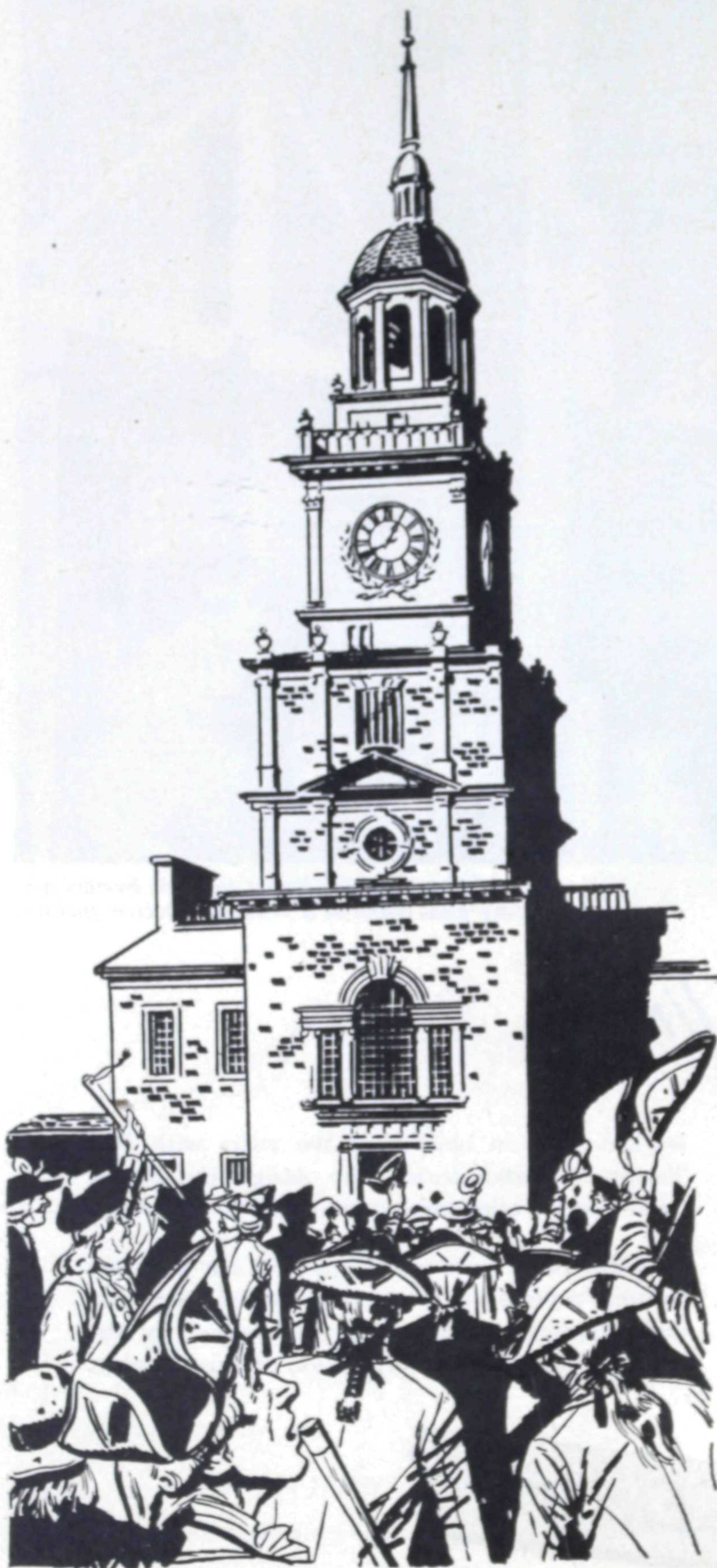
# Western Electric



A UNIT OF THE BELL SYSTEM SINCE 1882



# Now Freedom needs you!



Now... Freedom needs YOU!

*175 years ago our forefathers needed Freedom so much they risked their necks and all their earthly goods to put together history's greatest declaration of a free people . . . Since then we've enjoyed a big package of Freedom "for free" . . . And now Freedom needs us, lest in time to come she become no more than a worn-out word in a dog-eared dictionary . . .*

How would you like to roll out of bed some dark morning and have a big palooka tell you where you're going to work that week, what your wife's going to wear, and what your kids have to do?

Don't shrug it off, sink it in—it *can* happen here!

The point is, we're more likely to toss Freedom away ourselves—unthinking as with an old cigarette butt—than lose it in a fight.

Over the years we have tended to become a nation of *spectators* of the things that keep us free, just as we are at baseball games, movies, or our TV sets.

Haven't we?

We *watch* a few others vote, then gripe because the wrong man gets in, and moral standards suffer.

We *look on* while the community discusses a project, then kick like steers because the new school didn't get built.

We *view with alarm* prices going up but don't stop to think of helping the economy by putting some of our excess change in Defense Bonds and other savings.

Here are four short words to think about:

**WORK • SAVE • VOTE • PRAY**



It takes doing things like that to keep Freedom solvent—and America needs 150 million people in the act. Doesn't it?





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## **BEFORE YOU BUY ANY SAFE, KNOW WHAT YOU ARE BUYING!**

You'll entrust your company's valuables to the safe or money chest you buy—so be sure you're buying a dependable product. First, be sure of the reputation of the maker. Your bank or Better Business Bureau can tell you if the manufacturer is reputable. Second—look for the label of the independent *Underwriters' Laboratories, Inc.* Without that, no safe is trustworthy. Third—buy a new safe, or one whose entire history is known to you.

Then consider your own requirements. If you need fire protection, buy a safe. If you want burglary protection buy a money chest. If you need *both*, buy a safe with a built-in money chest. Write to Mosler for detailed information or any help and advice we may be able to provide.

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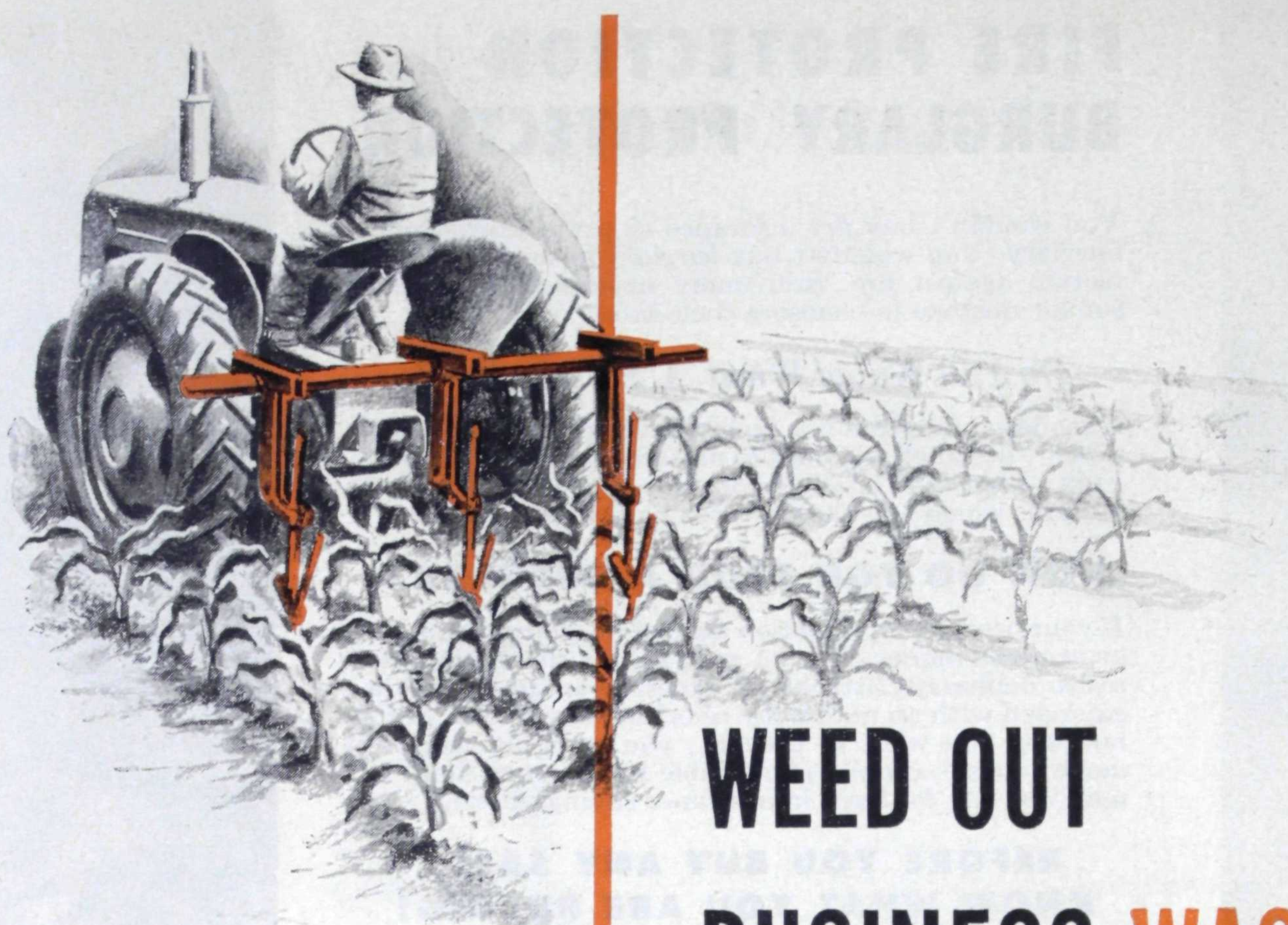
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# Nation's Business

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EVERYBODY'S talking about inflation. You find it being discussed in the daily press and in magazines. And even the President of the United States has been on the air recently to present a program for controlling it. It was because of this we asked **J. C. FURNAS** to take a look at our dollar—not the way it is today, but the way it's been over its lifetime—and tell our readers what has happened to it. "How Sound Is Your Dollar" is something you'll want to know.

Furnas, a free-lance writer and frequent contributor to NB, makes his home in Lebanon, N. J.

**CROPS** are on the move in this country. Grain elevators, long familiar landmarks in the Midwest, are beginning to mark the southern landscape. Deep-South farmers are building herds of beef and dairy cattle. Soybeans may become the second crop in the lower Mississippi Valley. This is the agricultural transformation that **HODDING CARTER** writes about in "You'd Never Know the Old Place."

As editor and publisher of the *Delta Democrat-Times*, Greenville, Miss., Carter has held box-seat tickets to the spectacle.

"MAN Hunt on the Potomac" by **SAM STAVISKY** is not a cops-and-robber story, nor one about lonely lassies. It's a serious article about how to solve one of the nation's most pressing problems: bringing the practical know-how experts of industry and business into the mobilization effort. Despite lessons taught by World War II, SNAFU still appears to be the word for this particular recruiting program.

Stavisky, a veteran newspaperman, covers the management-



DEL VECCHIO



labor relations and mobilization beats for the *Washington Post*. He's been with the paper since 1938, with one interlude when he took time out for a three-year stint with the Marine Corps as a combat correspondent.

Back from the war, Stavisky began doing occasional articles for magazines. His first major story was for us. Since then his work has appeared in the *Saturday Evening Post*, *Collier's*, *Life*, *Look*, as well as many other national publications.

"ALTHOUGH my father and grandfather were newspaper men," says **NELSON VALJEAN**, "it was a lone comma that sold me on the writing game. After Stanford University days, I was vainly trying to sell stories I had written in Carmel, Calif., when Harry Leon Wilson channeled



some grocery-buyin' work my way—the typing of the final draft of a serial he was doing for the *Saturday Evening Post*. Into that story I daringly inserted a comma of my own. Strangely, Wilson approved. When the story came out there my comma shone. Nicest in the magazine, by far. I figured I was probably the only writer in the world who ever cracked the *Post* with a single comma."

After several years of scattered newspapering, Valjean joined the staff of the Salinas, Calif., daily. One evening the county treasurer invited him to his home for dinner to meet his son, who was interested in writing. "Maybe," said the treasurer, "you can give him some pointers. Anyway, we're not sure he's in the right field."

For some reason, Valjean didn't make the dinner. But the treasurer's son subsequently managed to squeeze along somehow without the "pointers." Probably you've heard of him: John Steinbeck.

Valjean stayed in Salinas 13 years. It took a world war and a wife to budge him out of there.

Now, living in Mill Valley and still working in San Francisco, Valjean is editor of a company magazine, *Fireman's Fund Record*.

LAST FALL there was a widely held impression in this country that Stalin held all the cards and that Uncle Sam's hand was a bust. We didn't subscribe to this notion and began to tell our readers so in such articles as "How Big Is

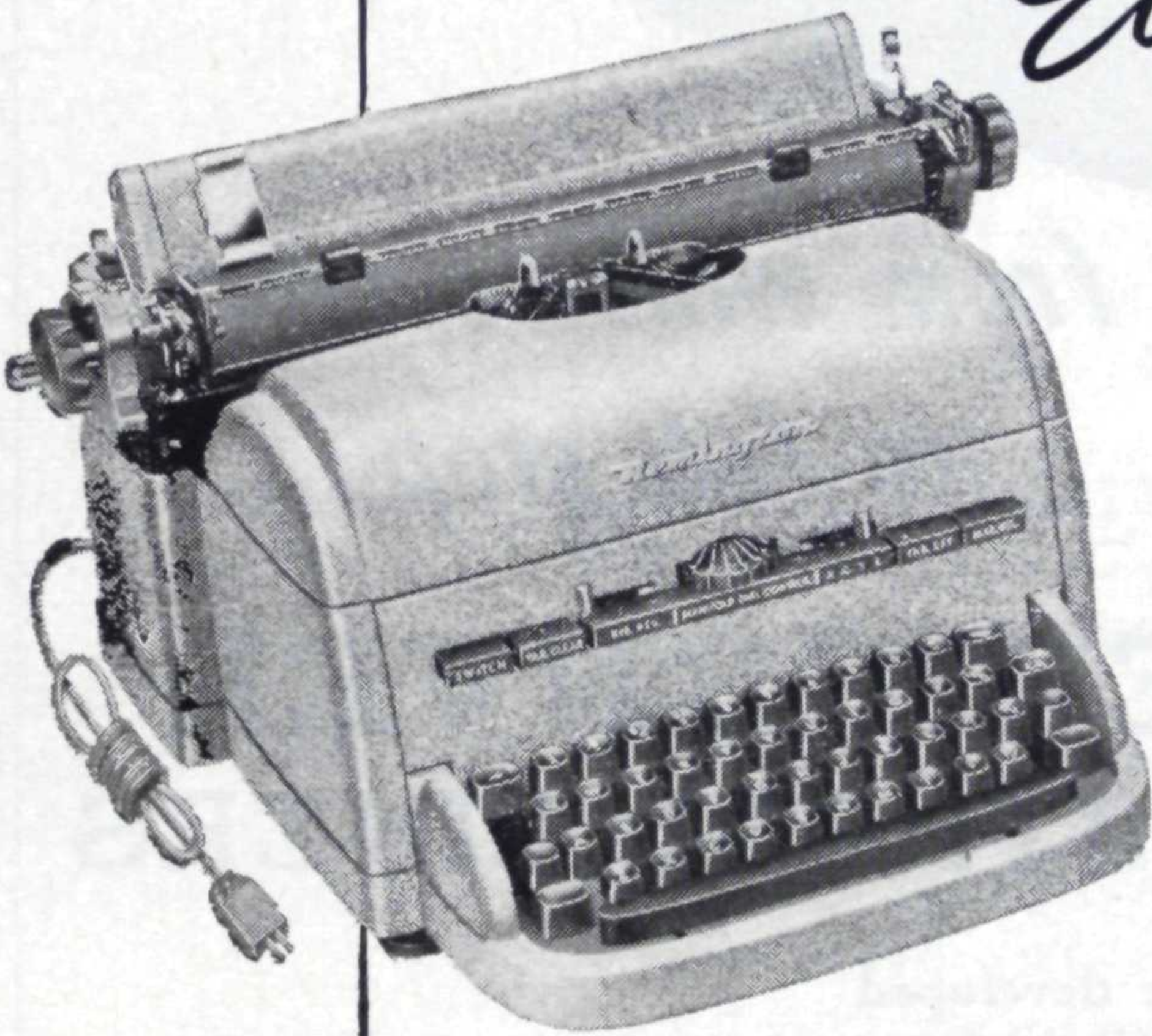


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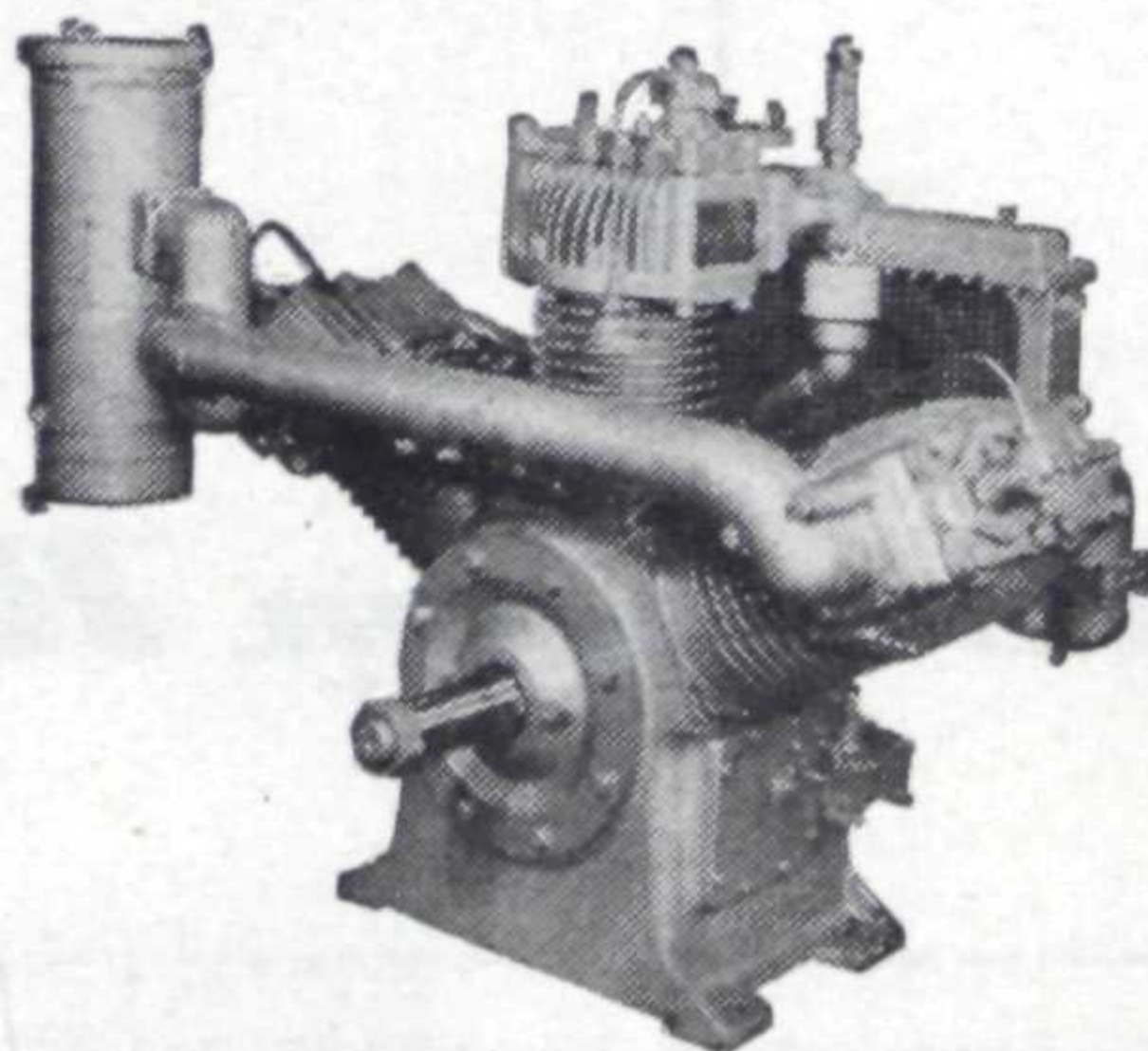
*from whistle stop..  
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# GARDNER-DENVER

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Russia's Bluff?" by Brig. Gen. Frank L. Howley, onetime U. S. commander in Berlin, and "Hot-foot for Stalin" by Paul M. A. Linebarger, one of the country's top men when it comes to psychological warfare. "Europe: Red Bear Trap," by **CURT RIESS** is another in the same vein.

Riess, an American citizen, was born in Germany and brought up in Switzerland. He first came to this country in 1934 as a Washington correspondent for *Paris-Soir*. His articles on America were syndicated in more than 40 European newspapers. However, when World War II started he severed all connections with Europe.

During the early war years he wrote many magazine articles and a number of books, including: "I Was a Nazi Flyer," "Total Espionage," "Underground Europe," and "They Were There."

Later, Riess returned to Europe as a correspondent for Newspaper Enterprise Association and North American Newspaper Alliance. Except for a short trip to the United States to write his well known biography of Goebbels, he has remained there ever since.

At the time of the Berlin blockade, Riess wrote a number of strong articles against the Russians and their methods. These were published not only throughout Europe, but in Berlin as well, and won him the distinction of being the journalist most hated by the Russians.

"Even now hardly a week goes by without some Communist paper in Germany, Austria, Poland, Czechoslovakia or Hungary publishing an article against me," says Riess. "Every article sings the same tune—that I'm an agent of Wall Street, and get my pay in thousand-dollar bills. If it were only true!"

WHEN it's something for the boys, business men can usually be counted on to lend a hand. Camp Tuff Moses, scene of this month's cover painting by **TOM LEA**, is an outstanding example of this sort of thing. In the Black Range of New Mexico near Silver City, the camp was built by donations from business men of the Southwest and is run each summer by the Yucca Council of the Boy Scouts of America, El Paso, Tex.



Why no scout uniforms in the painting? Lea, who incidentally is a native of El Paso, tells us they're not worn on mountain hikes.



## WASHINGTON LETTER

✓ WATCH FOR GRADUAL change in civilian, defense production patterns.

It's indicated by past performance:

During shooting—Civilian production is trimmed to meet military requirements.

Without shooting—Military requirements are trimmed to fill civilian demands.

Remember 1945: "Let's bring the boys home." Wise or not, it was effective.

It happens after every war.

✓ WASHINGTON HAS NO intention—now—of cutting back rearmament program.

But Washington is quick to reflect the disposition of the nation. And that may change official intention. Public's attitude began switching moment Malik spoke of peace.

So far sacrifices (forecast when defense program was outlined) have failed to materialize, with few exceptions.

The big pinch has not come. Without war Washington is likely to find it politically unwise—or impossible—to let the pinch develop, or be sharp or long lasting.

For example: It's reasonable to assume that U. S. people will not be denied goods, nor plants shut down for want of materials, in order to make tanks for storage.

Or for shipment to Western Europe, where U. S. aid so far has helped Marshall Plan countries reach industrial production levels as high as 40 per cent above prewar.

✓ TAPERING DEMAND for civilian goods eases military squeeze, may help solve trimming-to-fit problem.

Shoe manufacturers bid sharply for military contracts. They need the work, have capacity in excess of that needed to fill distributors' orders.

Situation is typical of many—probably majority—consumers' goods lines.

Federal Reserve Board survey shows decided drop in number of persons planning to buy new cars.

Although as many people think of buying new houses this year as last, fewer are definite—particularly concerning new houses. Over-all, survey shows (barring scare buying) "substantial" decline in demand for major consumer goods.

✓ ANY BROAD CHANGE in business outlook will come slowly.

Outlook is built around rearmament program. It's huge, cumbersome, slow in getting started.

But it—and its inflationary forces—are set up for the rest of this year.

Orders flow out at a rate of a billion a week. And deliveries (which mean payments) will approach that rate by the end of the year.

If brakes were applied today six months would pass before you could note over-all effect.

✓ DON'T PROJECT what you see today into the indefinite future.

You may be looking at the temporary acceleration of a changing situation. For example:

A retailer finds unit sales off five or ten per cent, his inventories relatively big.

So he chops off buying, perhaps 100 per cent on some items.

Thus sales of his suppliers are cut drastically—far below consumption rate—until the inventories are used up. Then the situation can reverse.

✓ MUCH ECONOMIC-political planning anticipates a \$20,- to \$25,000,000,-000 rise in wages and salaries this year.

But performance may not bear out the plan. Figures for first four months of '51 show increase of \$4,300,000,000.

That rate (if continued) would bring wages and salaries rise of about half that anticipated.

✓ ARE AMERICANS seekers of opportunity, always ready to take a chance?

Not with a buck, according to Federal Reserve Board. Its check up on finances shows—

Seven out of ten persons with income of \$3,000 or more a year prefer to invest their money in assets of unchanging money value.

Nearly half the people—49 per cent—prefer savings bonds. Thirteen per cent prefer bank deposits. And seven per cent think these two have about the same attractions.

Only 23 per cent of the people who may have savings to invest prefer assets of



# MANAGEMENT'S WASHINGTON LETTER

fluctuating money value—those that ride with the times.

Sixteen per cent consider real estate the best investment—and only six per cent list common stocks as their choice.

The others choose combinations of these groups.

As the income level rises so does the proportion of chance-takers. But even in top bracket—\$7,500 and over a year—only 16 per cent prefer common stocks. And only 23 per cent choose real estate.

Nearly half this top bracket group, 46 per cent, prefer assets of unchanging money value such as bank deposits (six per cent) and savings bonds (37 per cent).

✓ **WILL PLANT, EQUIPMENT** programs maintain their current record-high rate?

Probably won't be much change this year since plans, financing, equipment commitments are made months in advance.

But here's a thought to keep in mind:

Expansion, new plant, rehabilitation plans now being carried out were laid to meet two conditions—full armament program, civilian consumption limited only by availability of goods.

Now there's unused plant capacity in civilian lines. And question about coming size of the rearmament program.

Where's the record-high plant, equipment investment going?

By far the largest classification is manufacturing with nearly \$12,000,000,000 planned for 1951. Electric and gas utilities' plans call for spending \$5,410,000,000; railroads, \$1,360,000,000; other transportation, \$620,000,000, and mining, \$890,000,000.

Add commercial and miscellaneous and you get a total of just under \$24,000,000,000. That's 29 per cent above last year, 24 per cent above previous peak year (1948).

✓ **MORE STRIKES** are coming up.

Resistance builds up against rising production costs, will precipitate them.

Tightening credit effect, softer markets mean employers can't pass on higher costs.

So more of them will say "No."

Look for that pattern among non- and semidefense industries.

But big industries, particularly those with defense contracts, will have less labor trouble.

They've been setting their houses in order labor-wise for the past year.

Their first step: Getting wages up, job classifications aligned so other employers don't offer higher rates for similar work.

They've also been busy bettering working conditions, privileges, other "little things" that make a plant a good place to work.

Their purpose: Be ready for expected strong competition for labor in defense producing centers.

And also to keep unions happy. For unions have developed strong unofficial power in allocating labor by passing the word in union halls.

Another plant group in which there will be few labor interruptions: Those seeking defense contracts.

Peace with labor makes a strong selling argument to government buying agencies.

✓ **WHO'S THE BEST** price controller—Government or the customer?

Looks like the customer has the lead. Government granted one maker of nationally sold men's shirts a 45-cent rise.

Manufacturer looked over his market, announced no change in price.

Government allowed carpet makers a 15 per cent price hike. They took it. And sales sagged sadly. So the carpet men chopped off part of the rise.

"They'll chop off all of it before they sell many carpets," comments buyer for a retail distributor.

Those are samples. More and more prices drop below ceilings. Softer wholesale commodity prices indicate still lower tags at retail level.

✓ **TURNOVER**—not price change—makes money for merchandisers.

That's why oversized inventories bite deeply into profits.

Department stores, for example, turn over their stocks about 4½ times a year. That's store-wide average.

So stocks held for six months have missed the turnover—and profit—cycle twice.

Is turnover in your line as frequent as it should be?

It varies widely in different lines. From 1½ times a year for jewelers to 50 for retail meat merchants.

Government study, partly new, partly old, includes these turnover averages:

Package liquor stores, 6.6; taverns and bars, 15.8; auto accessories and



# MANAGEMENT'S WASHINGTON LETTER

parts, 3; filling stations, 15.9; garages, 4; books, 2.3; building materials, 3.2.

Candy, 10.8; family clothing, 2; furs, 2; lingerie, hosiery, millinery, 2.8; men's wear, 5.4; shoes, 1.8; women's wear, 3.8; coal, other fuels, 8; drugs, 4.2.

Floor coverings, 3.1; florists and nurseries, 3.7; dairy and poultry products, 36; groceries and meats, 13.5; furniture, 2.5; hardware, 2.8; house furnishings, 2.8; variety stores (chains) 4.7, (independents) 3.6.

Musical instruments, 3; office equipment and supplies, 3.2; paints, wallpaper and glass, 2.6; radio, 3.9; restaurants, 26; sporting goods, 3.8.

Inventories are oversize today for the same reason there's extra sugar in your kitchen cupboard or tires in your basement—fear of scarcity.

✓ **PRODUCTION POOLS**—combinations of facilities to handle defense contracts—are encouraged by the Government. But only under some circumstances.

Defense Production Administration looks favorably on such combinations only if:

1. They broaden defense goods production base.
2. Result in better distribution of defense production, without hurting existing capacity.
3. Accelerate production rate by reducing unfilled backlog orders.
4. Relieve load on businesses able to produce other items of greater scarcity.
5. Decentralize production.

DPA lists other requirements, including adequate financing, engineering experience.

How to form production combinations, get immunity from antitrust laws is outlined in new DPA booklet called: "Pooling Production for Defense."

You can get copy at Commerce Department field offices. Or by writing to distribution section, Printing Services Division, Department of Commerce, Washington 25, D. C.

✓ **INDUSTRIAL DEVELOPMENT** of mountain, southern states is speeded by rearmament.

That's indicated by certificates of necessity issued under the accelerated tax-amortization plan.

In 1947 capital investment for manufacturing plant and equipment in Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming was only .9 per cent of national total.

This year same area has received 5.8

per cent (of value) of all tax-amortization certificates issued.

On same comparison Mississippi, Alabama, Tennessee and Kentucky rose from 3.7 to 7 per cent.

Louisiana, Texas, Oklahoma and Arkansas leaped from 3.9 to 18.1 per cent.

✓ **ADMINISTRATION CAN LIMIT markets.** But can it make them?

Construction men expect it to try. Defense Mobilizer Charles E. Wilson has indicated building industry will be allowed to start about 850,000 dwelling units next year.

Builders interpret this to mean that Government will set aside materials, create credit necessary to build and sell that volume.

Note: Don't depend on Washington-made markets. Government has demonstrated power to restrict markets by limiting credit.

But it has not demonstrated that it can match availability, credit and consumer demand.

✓ **AIR FORCE** lends flying boxcar to help rush Labrador iron ore into production.

In first six weeks U. S. C-119 made 58 trips, hauled 879,000 pounds of equipment to ore field being developed along Quebec-Labrador border. Trip is 700 miles from railhead at Seven Islands, Quebec.

Three crews work on rail line—one at each end, the third in the middle—in rush to get ore out by 1954.

✓ **ONE-FIFTH** of U. S. real estate mortgages, commercial and residential, are held by insurance companies—not one half, as reported here in July.

Latest figures show savings and loan associations, commercial banks, insurance companies each hold about 20 per cent of total. Mutual savings banks, 11 per cent, individuals and others, 29.

✓ **BRIEFS:** During first 23 weeks of this year coal production was 85 per cent of capacity. Part of idle capacity was "snowbirds" that operate only to meet winter peak demand. . . . Distillers will cut back production. Whisky sales are off, warehouse space tight.



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MEN AT THE TOP**

# By My Way

R. L. DUFFUS



## The early apple

I HOPE modern boys, in Vermont and in other states, don't rob orchards, especially too early in the season before the apples are ripe. It is wrong and unwise to do so. But I hope the apples they get, in an upright and prudent way, taste as good to them as certain apples—the Red Astrachan, for one—did to some boys I used to know long ago. I would hardly dare to taste a Red Astrachan now. I would be afraid that though the apples would be as good as ever, and maybe better, what with sprays and all, they wouldn't taste as good to me. You have to be on vacation from school and in a position to be as lazy as all get out, you have to be lying in the sun after a swim in a meadow brook, to get the best out of certain of life's good things.

## A florist's philosophy

OUR florist, who, like many florists, is a kindly man and a philosopher, said the other day that he would rather give flowers away than sell them. He then testified to his sincerity by presenting my wife with a fine bunch of red and white carnations. He also said that though a great deal of business came from funerals he wished more persons would send flowers when the recipients could enjoy them and not wait till they couldn't. These opinions, I was glad to note, didn't seem to have hurt his business any. We would have bought out his whole stock if we could have afforded to—and distributed it among those of our friends who seemed to need flowers most, with cards wishing them long life and happiness.

## The atom's good side

THE Army Signal Corps recently demonstrated how to let pigeons out of a coop. It sent an electric impulse around the world in one eighth of a second; the impulse, returning to where it started, acti-

vated a tiny atomic pile; the atomic pile set off a little magnesium bomb; the bomb burned a ribbon which had kept the coop fastened, and the pigeons, who were tired of being shut in, came out and began to look around for peanuts and things. Such experiments help us to understand that the atom is not wholly a menace. Indeed, if the Signal Corps could arrange to send a spark around the world and then have it come back and activate something that would mow my lawn while I sat around drinking iced coffee or some other agreeable beverage I should feel quite optimistic about the future of the world.

## "Do not disturb"

THIS is a mechanistic age and we are often described as a materialistic people. I was all the more delighted to read that a big power shovel at the Duquesne Light Company's plant in Pittsburgh was kept inoperative for three weeks while a papa robin and a mama robin hatched out three baby robins in a nest built in the scoop. I have not checked this story, because I wanted it to be true. It has to be true. And I hope the Duquesne Light Company's dividends increase by leaps and bounds, just to show that poetry and sentiment have their rewards even in this wicked world.

## Selling the White House

ALTHOUGH any American boy (and, technically, any American girl) can hope to be President it is not wise in any particular case to plan on living in the White House. On the other hand, so long as the supply lasts, any American of any age who can spend as much as \$100 or as little as 25 cents can have in his home a part of what used to be the White House. For the larger sum he can have enough bricks to make a fireplace and for the smaller a piece of lath a foot long. ("Souvenirs, Fort Myer, Va.," is the



address to write to.) Taking note of the fact that George Washington was elected too soon to live in the White House and that some material was added after the British burned the executive mansion in 1814 and some at later times, the purchaser has a wide choice of Presidents with whom to associate his relics. Thus the operation is completely nonpartisan. And it fills a real need, not only for those who want to be President and can't but for those of us who not only can't but don't want to. How pleasant to sit in front of a White House fireplace and not have the burdens of Government on one's shoulders! How pleasant to toy with a polished bit of White House lath and still not be denounced in any newspaper or on any rostrum! I am thinking of ordering a lath or a nail; a fireplace I already have.

## Aug. 19—historic date

THE Fourth of July this year saw the celebration of the 175th anniversary of what most people regard as the signing of the Declaration of Independence. Actually the *decision* to declare independence seems to have been taken July 2 and the signatures on the final engrossed copy were not completed until August 19. The actual document was, however, accepted by Congress July 4, and this seemed to our ancestors the day to celebrate. What this shows, I think, is that a bit of history may sometimes be inaccurate in detail but true in spirit. July 4 was the day on which our forefathers laid themselves open to all the pains and penalties of the English law of treason—and it deserves the fireworks accorded it. But if anybody feels like celebrating on August 19 let him do so; liberty is sound coin on any day of the year.

## I like birds, but—

I LIKE birds. I even like starlings, because, after all, no starling was ever consulted when Nature decided not to make him a Baltimore oriole; starlings have to be what they are, if not always where they are, and we should bear with them. And I like woodpeckers, so long as they stay in the woods. Some time back I complained in these paragraphs about a woodpecker which was trying to peck our house down. Later I found that he wasn't giving the matter his full attention and that his rate of progress wouldn't reduce our home to sawdust much before the year 2078, when we don't expect to need it any more. But

now he has fallen into the habit of working like a small machine gun between 5:30 and 6 a.m., Eastern Daylight Saving Time, just outside my bedroom. I believe he does this to annoy me, for there are no worms or insects that I know of in our clapboards; or if there are he could do better in any tree. I am a patient man but if this continues I am going out some morning and tell that bird in plain language what I think of him.



## Insurance for golfers

EARLIER this year Lloyd's of London was insuring golfers at 100-to-one against making a hole in one. Four dollars, in two cases cited, one from Sterling, Ill., and one from Little Rock, Ark., would get you \$400. The man in Sterling forgot to renew. The man in Little Rock made his successful shot just 28 minutes before his policy expired. Of course these are the kinds of stories this kind of policy would bring forth. But if I were a confirmed golfer—and indeed if I were the kind of golfer I am, who has tried golf and found he either couldn't hit it or couldn't hit it far or straight enough to satisfy public opinion and has gone in for Chinese checkers instead—if that were the case, or cases, I repeat, I believe I would take out a policy against not making a hole in one. I am writing to Lloyd's of London about this but am not laying in any clubs until I get their rates. Meanwhile the garden seems to need a lot of attention this year, what with too little rain sometimes and too much at other times, and the moles and all.

## Sweeping through Yale

YALE students living in dormitories have been making their own beds—and, I suppose, lying in them when they were not too busy studying—since the end of World War II. This fall, as an economy measure, they will be asked to do the sweeping and dusting, too. I imagine all this will add to the percentage of happy marriages for Yale graduates. There is nothing that annoys a wife so much, I have observed as I go around, as a husband who seems to think that

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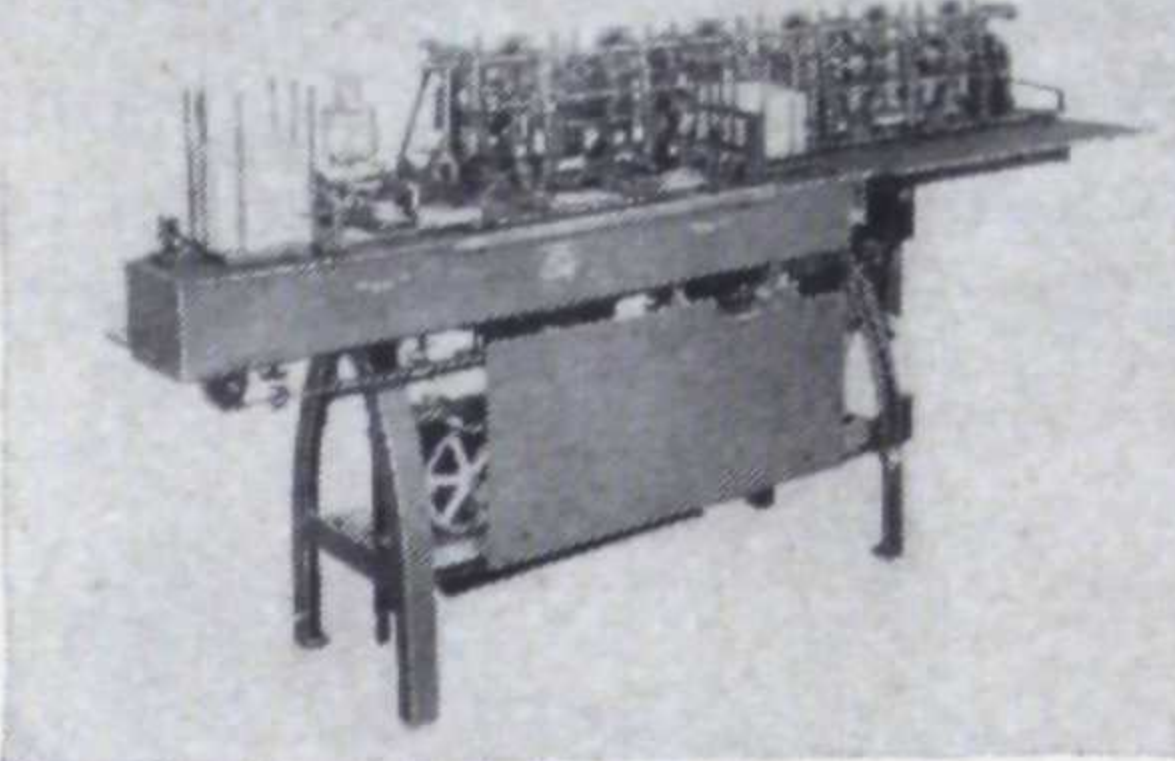
GATHERS ENCLOSURES

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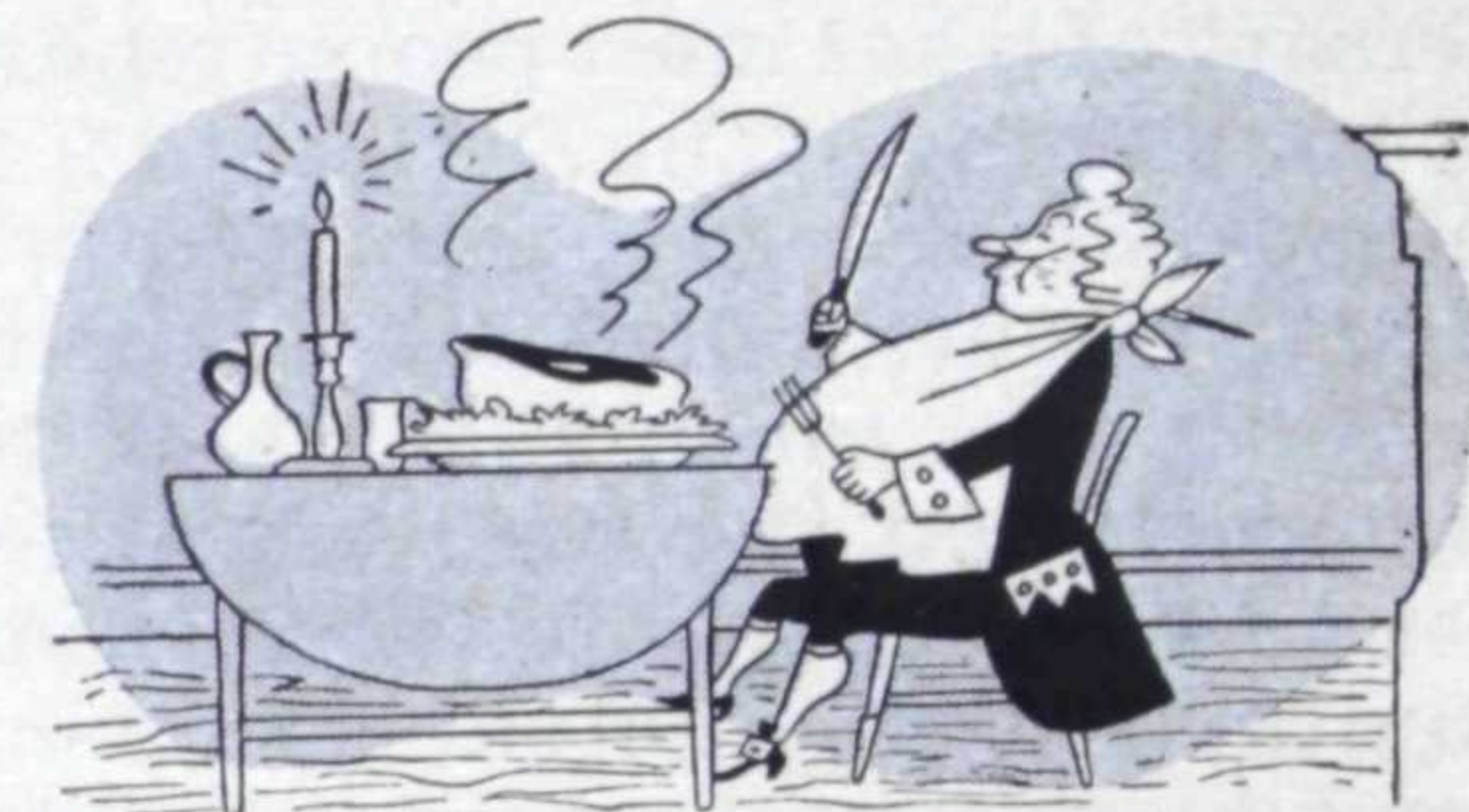


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a house keeps itself tidy automatically, or that a brownie does the sweeping and dusting at night when everybody else is asleep. This just isn't so, and it is part of a liberal education to know it isn't so. The sweeping and dusting course at Yale ought to be a profitable fraction of the work required for a degree; maybe the young man who does it best in each graduating class should have a special citation; maybe he should have a B. S. D. (Bachelor of Sweeping and Dusting) after his name.

### Profit and loss

IN GEORGE WASHINGTON'S time more than 80 per cent of the American population worked on farms, producing food and other necessities for the other 20 per cent and less. Now the job can be done, and is done, by 16 per cent of the population, which is an improvement. But we have lost in one respect. When our ancestors wanted



meat they raised some—or shot some. They had no automobiles or television sets but, my goodness, how they did lay into those steaks!

### A good word for Kansas

I WAS pleased to see that Kansas had been cited by the American Automobile Association as the safest state for pedestrians during the year 1950. If conditions get too bad on Pennsylvania Avenue or in Times Square a pedestrian can go to Kansas and feel comparatively secure. However, I have looked up the statistics and I find that Kansas has about 50 per cent more drivers per unit of population than the national average. Can it be that the reason pedestrians are safe—or safer—in Kansas is that there are no pedestrians there?

### Spots on the sun

I AM told we have been having sun spots recently. This news takes me back to the days of my youth, when this phenomenon had just come into fashion and people used to blame sun spots for practically everything that went wrong—the weather, politics, wars, neighborhood quarrels and a personal re-

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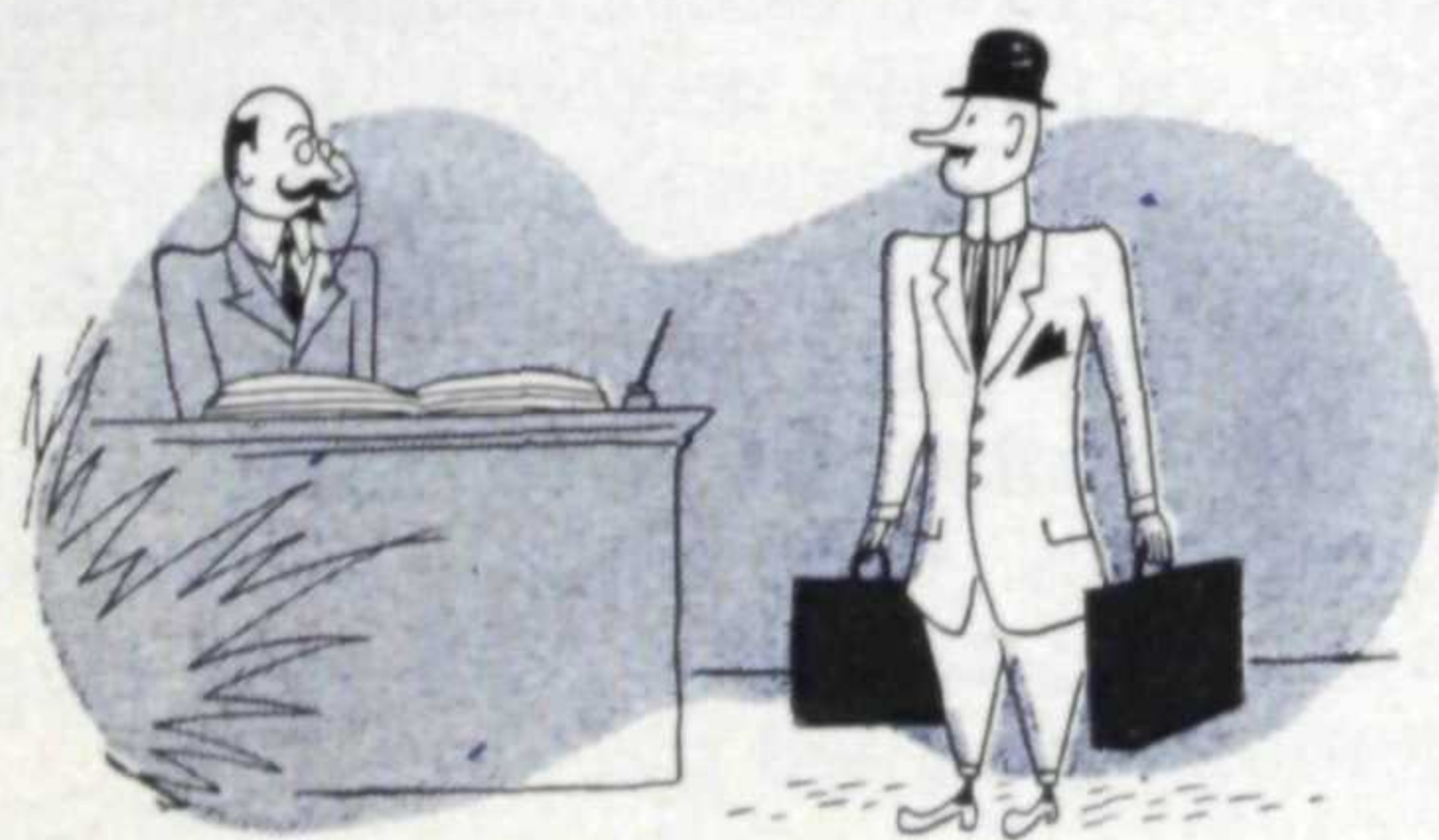
R. P. Jobb, Ass't. Vice President  
Atlantic Coast Line Railroad Co.  
Wilmington, N. C.



luctance to get up in the morning when the alarm clock went off. Those were good and innocent days and I wish we had more of them. I would like to experience once more the tranquillity that comes when we can blame our troubles on something impersonal, like solar measles, and not have to ascribe them to human nature—including our own individual natures.

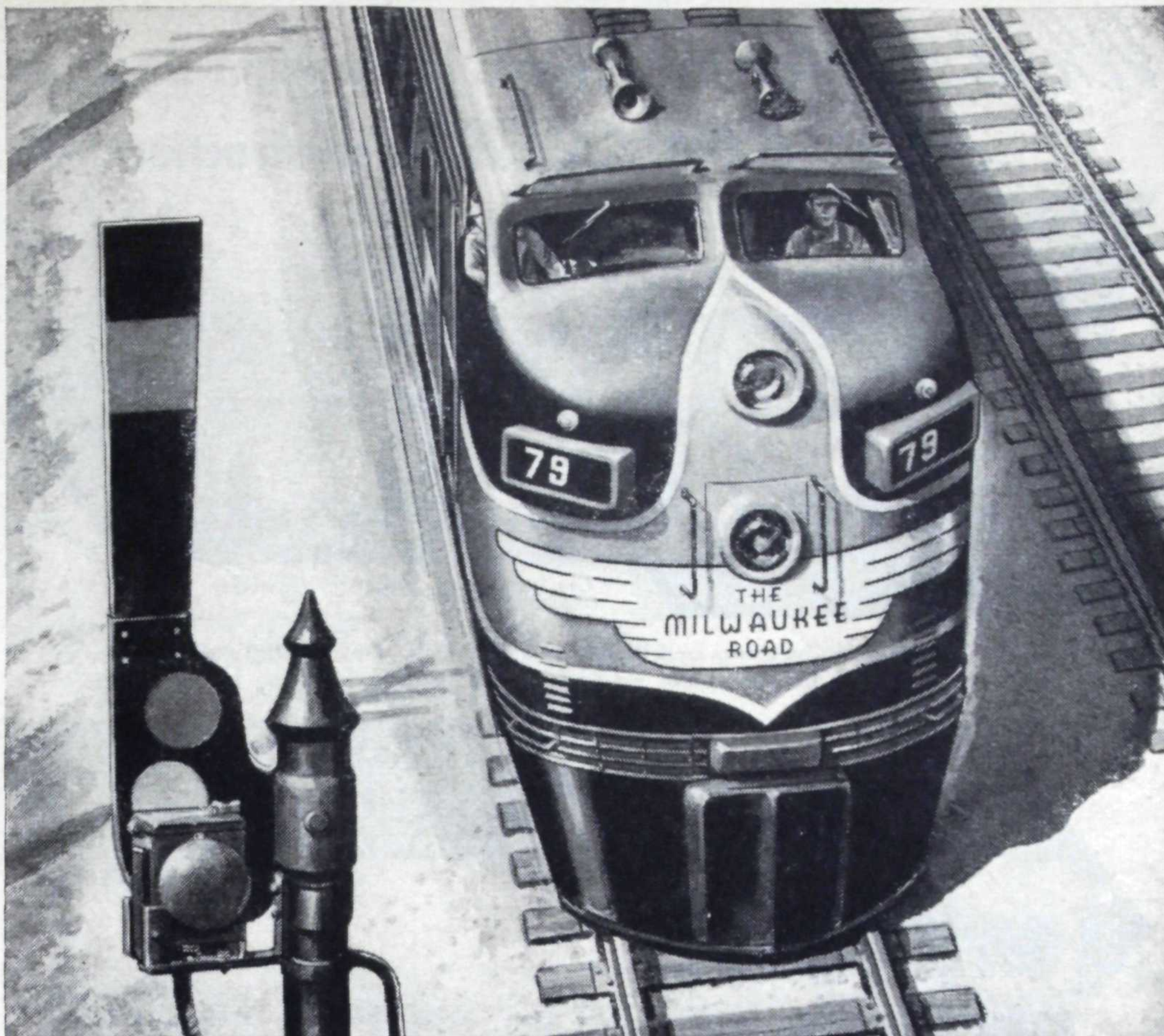
## Battle of words

AN ENCOURAGING note amidst the unpleasantness that bedevils so much of the world is the recent announcement that guided missiles and pilotless planes carrying weapons no more lethal than words were used against enemy troops in Korea. Soldiers who looked up expecting a rain of explosives got arguments from the sky instead—apparently persuasive arguments, for many enemy surrenders resulted. Perhaps when the human race is older and wiser, perhaps when Moscow has reformed its ways, perhaps when an expedition to the moon returns with a cargo of green cheese, perhaps at that time we shall have a new and humane sort of war. The object will be, as I see it, to find out which side can argue the most soldiers on the other side into surrendering or just going home or out to the ball game. There may be some casualties—some soldiers may be bored to death. Still, a war of words would be an improvement over the kind of war we have now.



## Lodging for the night

I AM fond of what I call (after a tale by Stevenson) Will-o'-the-Mill stories. These have to do with persons who plan to stop somewhere for a night or so but actually stop longer. The latest to come to my attention concerns Emil Arky, who registered some 42 years ago at a downtown hotel in Los Angeles. He was then a spry young fellow of 38. Recently, when he celebrated his eightieth birthday, he was still there and seemed satisfied with his room and the service and everything. Apparently he no longer thinks of himself as a transient, for he has retired from his work as a salesman and says he



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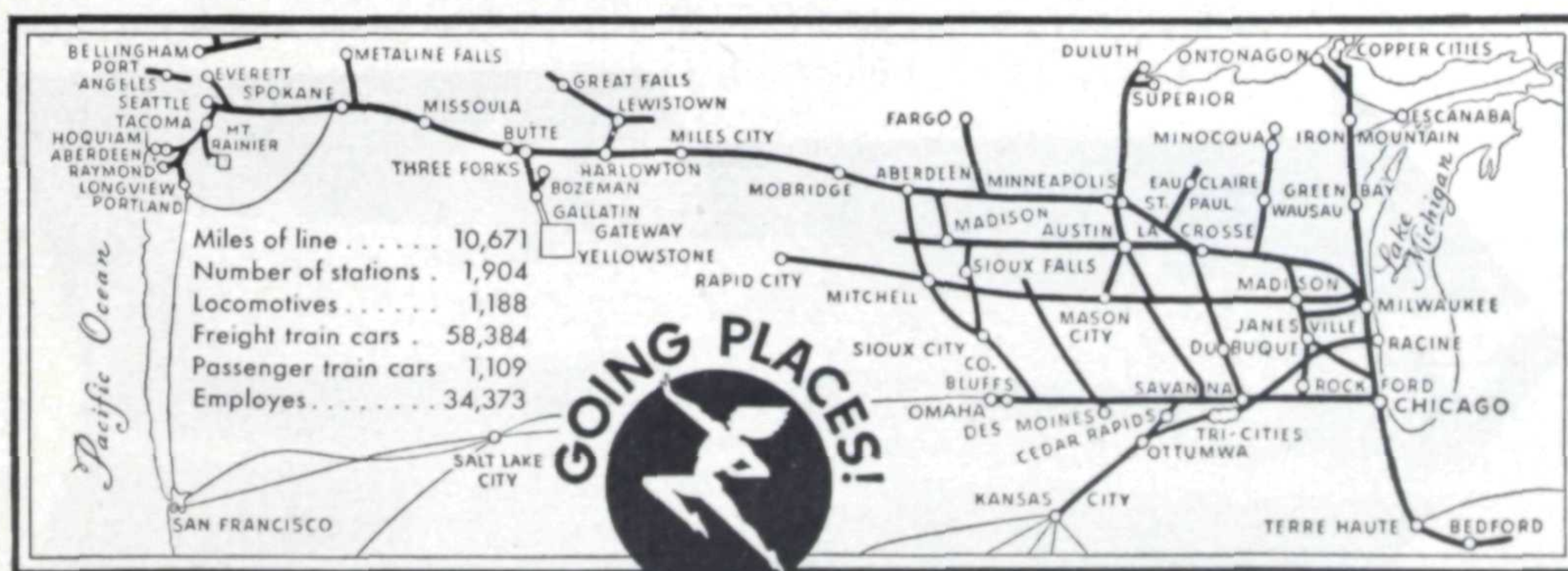
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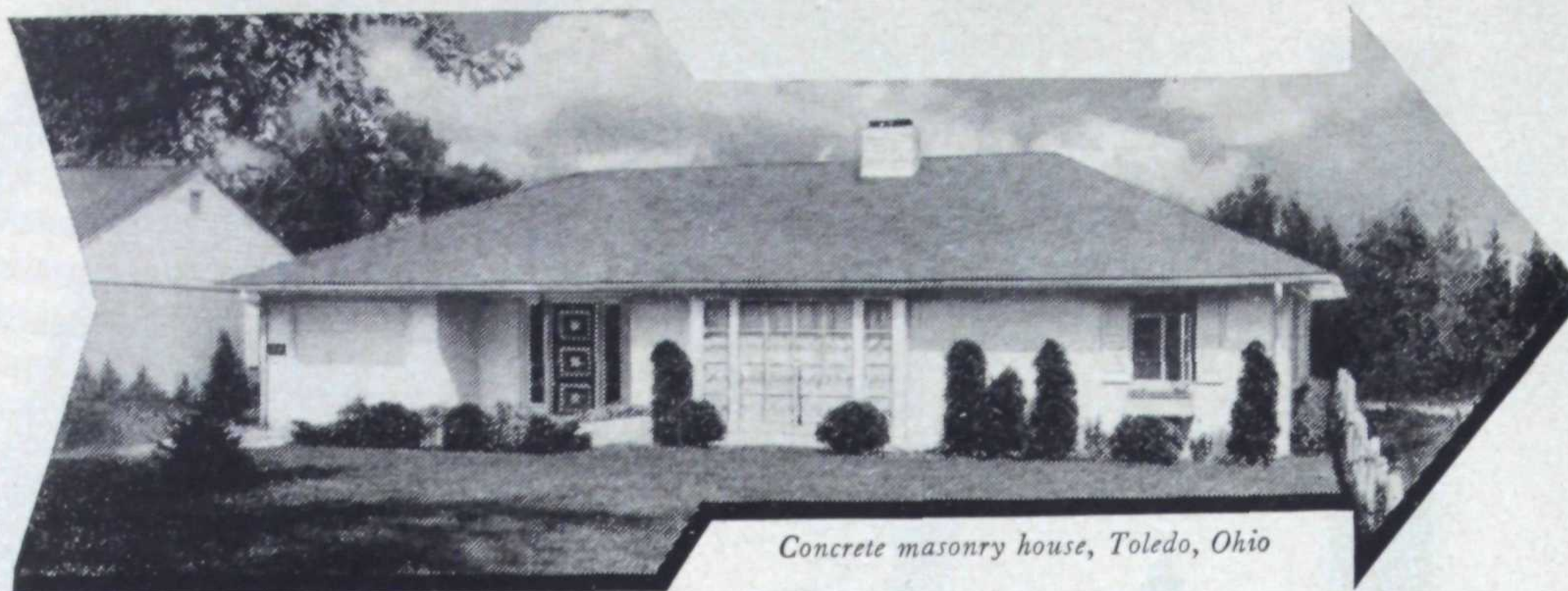
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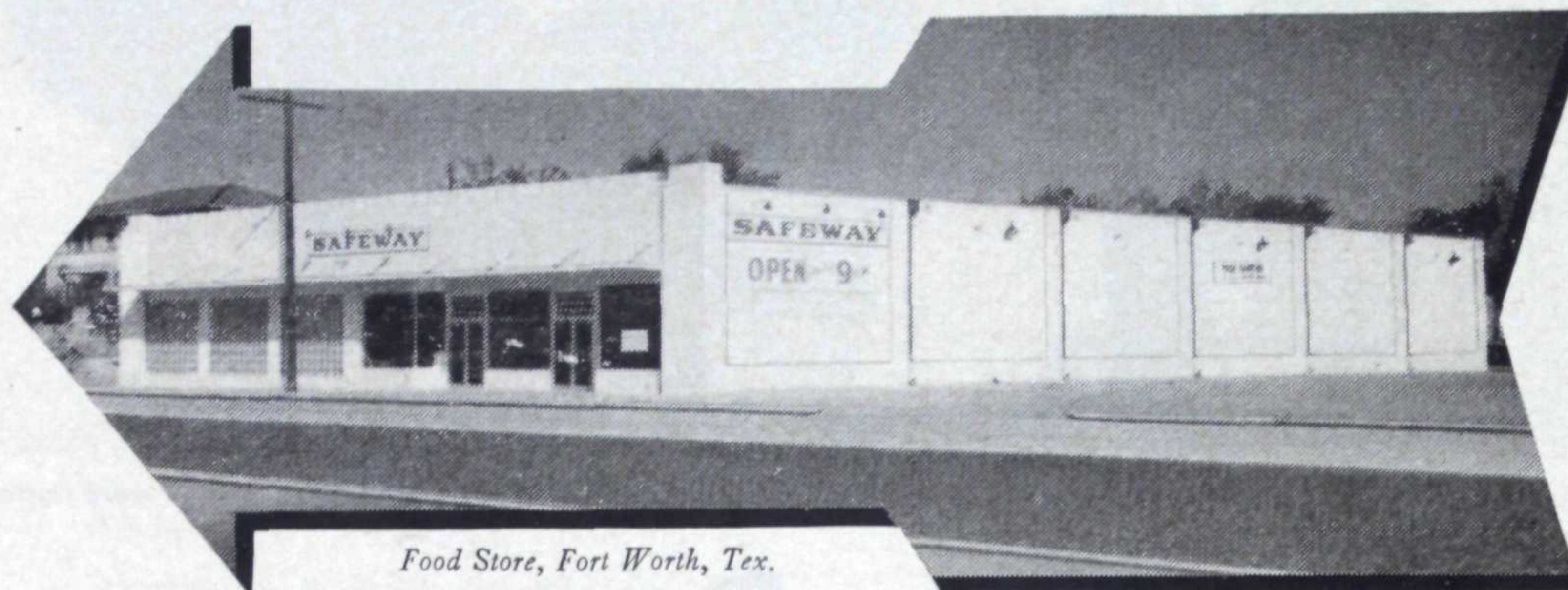


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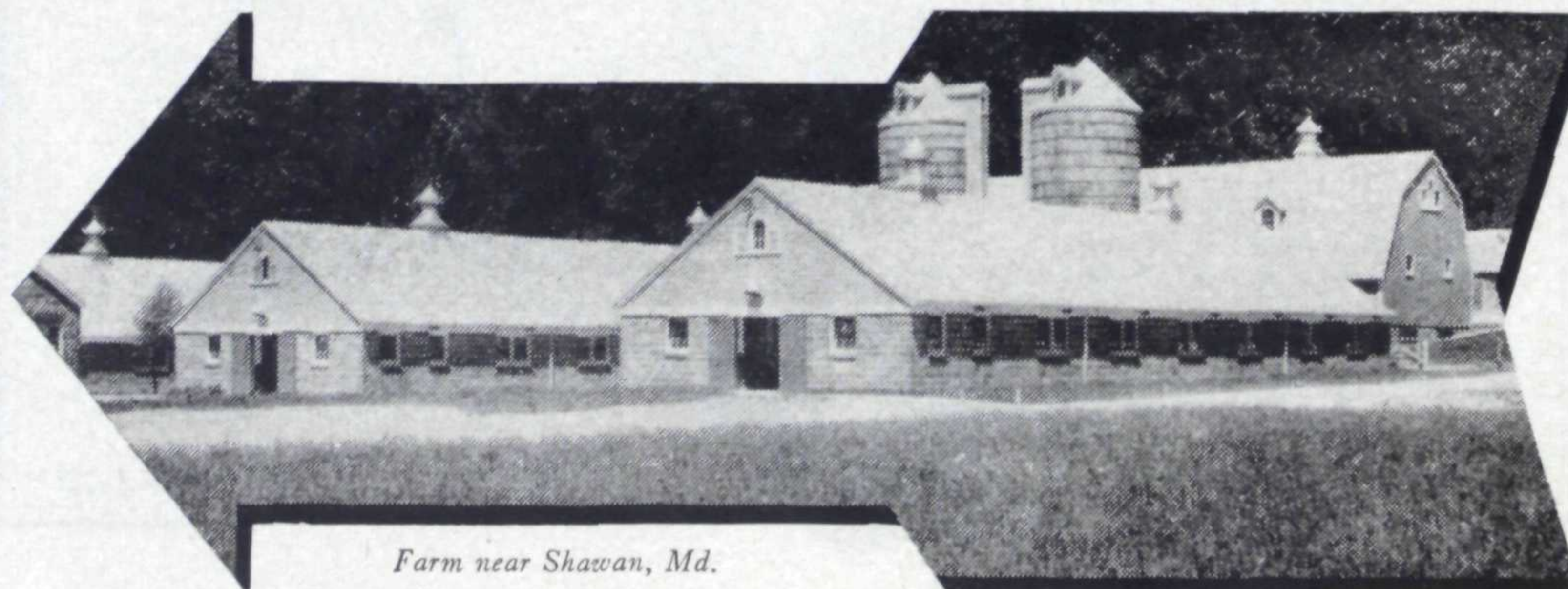
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is going to "settle down." Everybody says we are a restless race, and we are. But there are some, like Arky, who know their own minds and when they find a spot that suits them stay there. And here's long life and all good things to Arky and all the others.

### What to call cats

OUR household pet, Petunia, followed with some detachment a controversy, originating in London and reported in the public press here, as to what more than one cat or kitten should be called. Judge John Basil Blagden suggested "clowder" for a group of cats and "kendle" for a group of kittens. Petunia said she didn't go in for groups and had no use for cats that did.

In short, she said, she had no use for other cats—never did have—and if any clowders or kendles came around our property she'd show them where to get off. She would, too. Indeed, she has.

### Those "odorless goats"

THIS department tries with all its might and main to be accurate. Its intention is to be kind to man and beast. If on occasion it has to criticize it accompanies the criticism with such praise as may be due. Sometimes mistakes will be made. It is not true, as was here intimated some months ago, that an "odorless goat" is a rarity; I should have known it was not true because I have known odorless goats, I have even partially milked an odorless goat and I have consumed goat's milk with pleasure and profit. I hope the goat industry, which is small compared with some other industries but which stands up nobly for its rights, will take these remarks in good part.

### Easy pickings

SOVIET whalers are "much tougher and more efficient than capitalist whalers," says an Associated Press dispatch relayed from Moscow and quoting the Russian press on the return of the Communist whaling fleet from seven months in the Antarctic. But I don't believe a word of it and I ought to know because I once read a book about American whalers. What I believe is that the Russians leaned over the bulwarks and read the works of Marx, Lenin and Stalin to the whales and the unfortunate leviathans were picked up and turned into oil and whale-bone while asleep.





## The State of the Nation



Felix Morley

**N**OT a few cynical observations were voiced in Washington when Sen. J. William Fulbright, at the end of March, introduced his now much-discussed resolution for the improvement of morality in government. At cocktail parties one heard it said that: "You cannot produce good conduct by legislation." A rather smart and self-styled "liberal" columnist wrote that "the rub" would be "some means of enforcing an official code of ethics."

Both observations indicated complete ignorance of Senator Fulbright's purpose and neither should have been made by anyone who had troubled to read the opening paragraph of his resolution, which says, simply:

"It is hereby declared to be the policy of the Congress to strengthen the faith and confidence of the American people in their Government by assisting in the establishment of higher moral standards in the official conduct of the executive and legislative branches of the Government."

The remainder of the brief Fulbright resolution proposes the establishment of a "Commission on Ethics in the federal Government" which, within a year of its appointment, would make a report with recommendations to Congress and then "cease to exist." All ten members of this commission would be appointed from private life,

five by the President of the Senate and five by the Speaker of the House. They would receive no salaries, but necessary expenses and \$50 per diem "when engaged in the performance of duties vested in the commission."

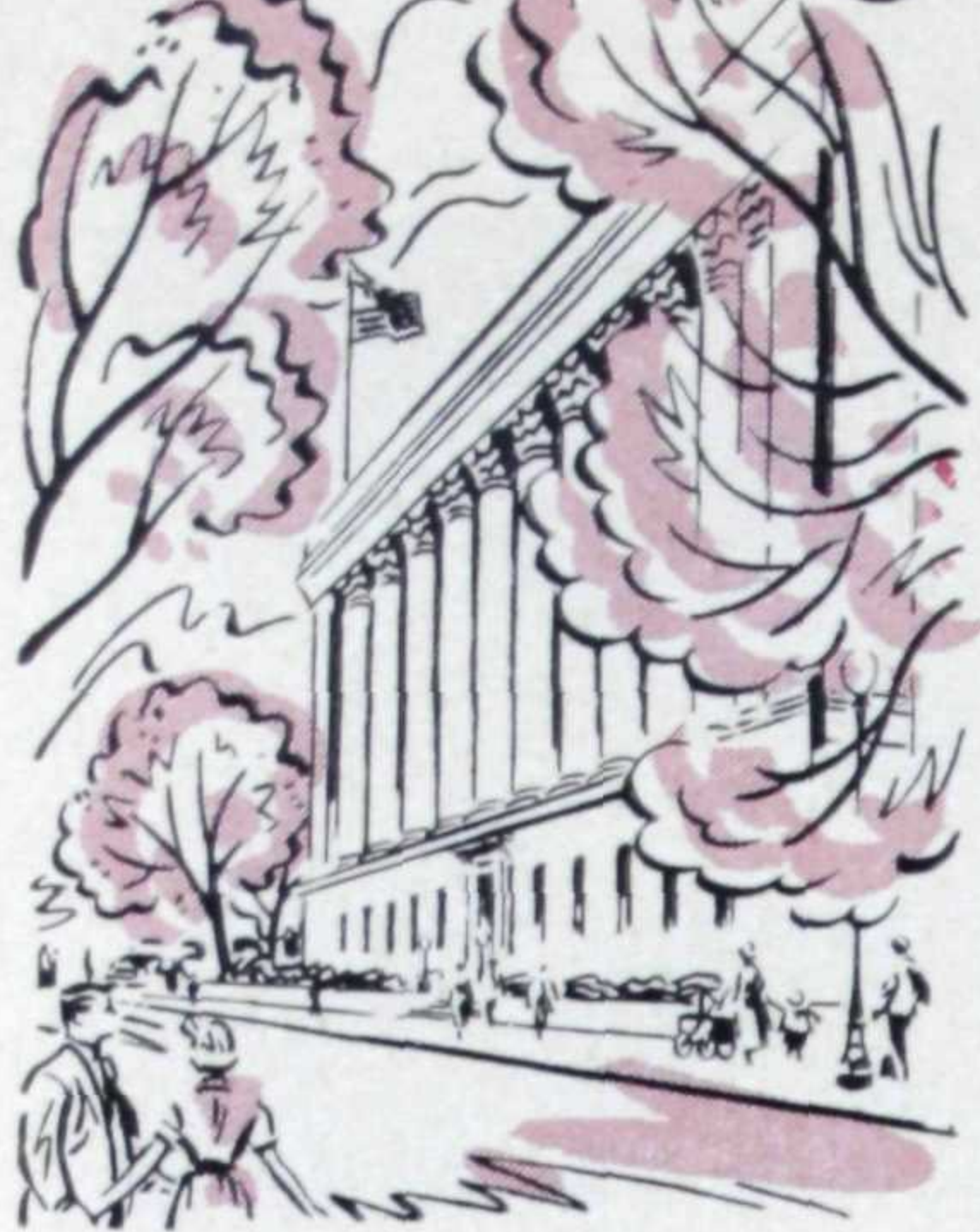
The Fulbright resolution was referred to the Committee on Labor and Public Welfare, which in due course appointed a subcommittee, headed by Sen. Paul H. Douglas of Illinois, to hold public hearings. These opened June 19 and to the surprise of the newspaper fraternity, which had expected the subject to be completely blanketed by the plethora of sensational events, immediately attracted widespread public attention.

This outcome was in part due to the outspoken testimony of the first witness, Comptroller General Lindsay C. Warren. He cited, among others, the case of a regional office in Washington of the Federal Housing Administration where in 1949 "every single employe" accepted gifts from private firms seeking favorable governmental consideration. An FHA official observed later that Warren had exaggerated. It seems there were a few people in the bureau who actually rejected the proffered bribes of nylons, liquor, watches and television sets.

In the words of the Comptroller General, whose General Accounting Office audits all government spending, the "shocking disclosures of the war and postwar period" demand the establishment



# TRENDS



## OF NATION'S BUSINESS

of some such commission as Senator Fulbright recommends.

Other important witnesses before the Douglas subcommittee developed the same theme. Luther C. Steward, the highly respected president of the National Federation of Federal Employees, said that "moral deterioration" in governmental service is "more prevalent at the present moment than in all of my 55 years of continuous contact." Dechard

A. Hulcy, president of the U. S. Chamber of Commerce, said that "abuse of power and position is a natural corollary" of government that has become "too big to watch; too big to control."

Supreme Court Justice Robert H. Jackson also endorsed the development of a specific code of ethics for federal employees, similar to that which the American Bar Association laid down for lawyers more than 40 years ago. Said Justice Jackson: "The great aim, it seems to me, is to build in our public service a tradition of honor that will be reflected in the reputation of that service."

By an interesting coincidence this remark by Justice Jackson followed closely on the heels of one with a very different bearing, made by his colleague on the Supreme Court, Chief Justice Vinson.

In his opinion upholding the conviction of the 11 Communist leaders Justice Vinson observed, as one of those incidental remarks known to judges as *obiter dicta*, that "all concepts are relative," and that, "Nothing is more certain in modern society than the principle that there are no absolutes." He said: "A standard has meaning only when associated with the considerations which gave birth to the nomenclature."

These observations were in no way necessary to the decision confirming the guilt of the Communist subversives. And it was no accident that Justice Jackson, in a separate opinion also upholding the conviction, gave no support to the highly controversial idea that "all concepts are relative."

Obviously, if that were the case, there could be no such "tradition of honor" as Justice Jackson seeks to see established in the public service. For a tradition is merely a code of conduct that endures precisely because of the belief that some concepts, like honor, courage, integrity, have permanent meaning. If all values are relative; if "there are no absolutes," it follows that traditions are not merely pointless, but actually harm-

ful. It would be injurious, to the individual and to society, to uphold standards that are outworn and have become meaningless.

For nearly 2,000 years now it has been the conviction of Christians that there *are* many absolute values and that they are important not only to the well-being but actually to the preservation of society. Those values, as taught by Jesus, are not easy to maintain, but they are not less absolute and eternal for that reason. And we are reminded that those who heed them not are like unto the foolish man who built his house upon the sand. When the rains descended, the floods came and the winds blew, that fine-weather house fell, "and great was the fall of it."

Since that parable was first spoken, under the temporal rule of imperial Rome, many great empires have succumbed to the storms of history, and many rulers who acted on the assumption that "all concepts are relative" are as forgotten as is King Herod. The enduring fact is that the untutored Nazarene who affirmed that some values *are* absolute is still honored for it, and will continue to be worshiped, regardless of judicial, but injudicious, observations to the contrary.

If higher moral standards in our Government are desirable, and all contemporary evidence certainly points to that conclusion, there must first be a more widespread conviction that moral standards are important. It is because this conviction is today absent from so many American minds that governmental conditions are such as to demand a reformation. We seem, indeed, to have reached the era prophesied by Simon Peter, when he said that "in the last days scoffers shall come—men whose only guide in life is what they want for themselves." When men are like that their government, under our representative system, will conform to the mirror of the general morality.

George Washington, in his closing days, looked ahead with remarkable prescience to the conditions that the Fulbright resolution seeks to combat. "Reason and experience," wrote Washington in the Farewell Address, "both forbid us to expect that national morality can prevail in exclusion of religious principle."

The first and most fundamental principle of a religious people is that there are certain absolute and permanent values, to which honorable men will adhere despite temptations and pressures to the contrary. Standards are a personal matter, and can never be satisfactorily enforced by law. But if they are held by individuals with inner conviction, they do not need to be enforced.

That is what Senator Fulbright has been trying to tell us; that is why his proposal for a "Commission on Ethics" is helping to bring our political thinking back to fundamental truth.

—FELIX MORLEY



# Washington Scenes



Edward T. Folliard

IF ANANIAS had come out of his grave, he could hardly have run into more mistrust than did Russia's Jacob Malik with his proposal for an armistice in Korea.

A great power, like an individual liar, can expect nothing better once it becomes known that its word is no good. Thus, whatever may have prompted Moscow to ask for an armistice, the deep suspicion of Stalin and his motives seems likely to endure.

This wariness of Russia, which was evident all over Washington in late June and early July, was enormously heartening to those responsible for building up the nation's strength. It led them to believe—or, at least, to hope—that their worry about a “letdown” might be groundless; that maybe Americans were determined to be resolute, after all, and to stick it out in what promised to be a long struggle between the free world and police-state tyranny.

Still, they could not be sure. It was a question of whether one chose to base his judgment on the record or on faith.

The record was not encouraging; it showed that the United States was notoriously averse to arming itself unless an actual shooting war was going on. It showed, too, that we have been vastly impatient once a fight is started, and quick to disarm once it has ended.

If one trusted to faith—well, he could tell himself that, despite all their faults, Americans do have horse sense and do learn from hard experience. Going on from there, he could also tell himself that by now the people certainly must know the truth of what Churchill said about the Russians in 1946: that they despise weakness and respect only strength.

One annoying aspect of the Russian cease-fire proposal was that it showed that Moscow still had the initiative, in making peace as well as making war. Stalin could order hostilities (without committing a single Russian soldier), and he could then blandly call for a truce, after finding that the slaughter was profitless. Washington, of course, knew this was in his power all the time, from the moment the first shot was fired along Korea's thirty-eighth parallel.

It was because this was new, because some of our lawmakers either were looking back to World War II or ahead to a World War III, that we had so much perplexity and confusion here.

The Government of the United States was dealing with a situation utterly unprecedented. Officials, who were used to operating in the “altogether black area of war” or the “altogether white area of peace,” found themselves, as Adm. Forrest Sherman said, operating in “a gray area somewhere in between—a most difficult area.”

In the first days of the Korean fighting, a familiar expression hereabouts was “all out.” Many senators and representatives, remembering World War II, were demanding all-out controls, with a rollback of prices. To their astonishment, President Truman was insisting then that such controls were not needed. Eventually, this situation was to be reversed, even before Malik made his peace overtures.

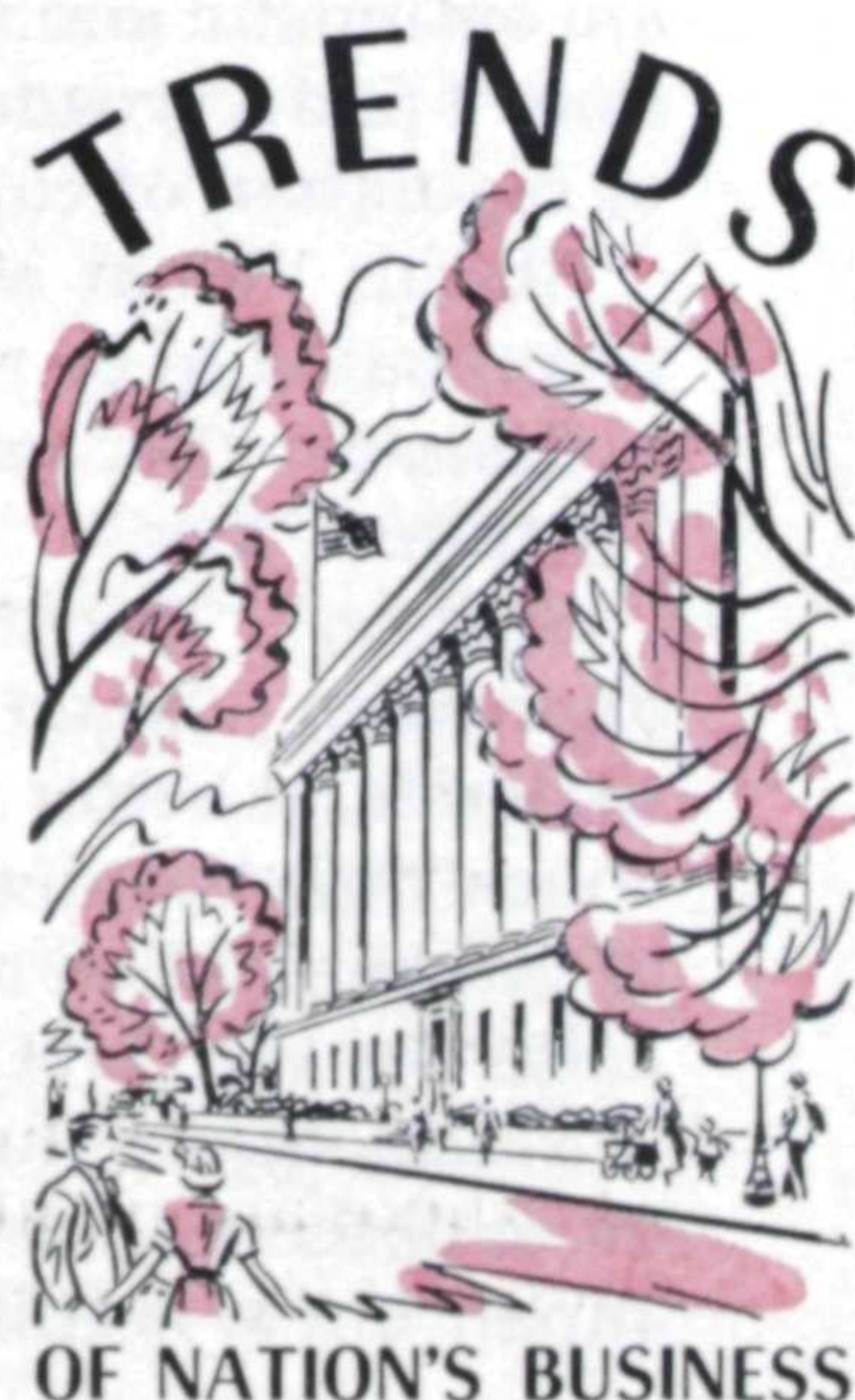
There have been other strange goings-on along the Potomac. We have heard senators sounding off as military strategists, and have seen generals fretting over the state of the economy. On balance, one would have to say that the generals have looked better than the Capitol Hill Napoleons.

Soldiers like Generals Marshall, Eisenhower and Bradley and sailors like Admiral Sherman entered the armed forces when the cost of the defense establishment was of no great concern. Enlisted men got something like 50 cents a day. Uniforms were cheap and so was food.

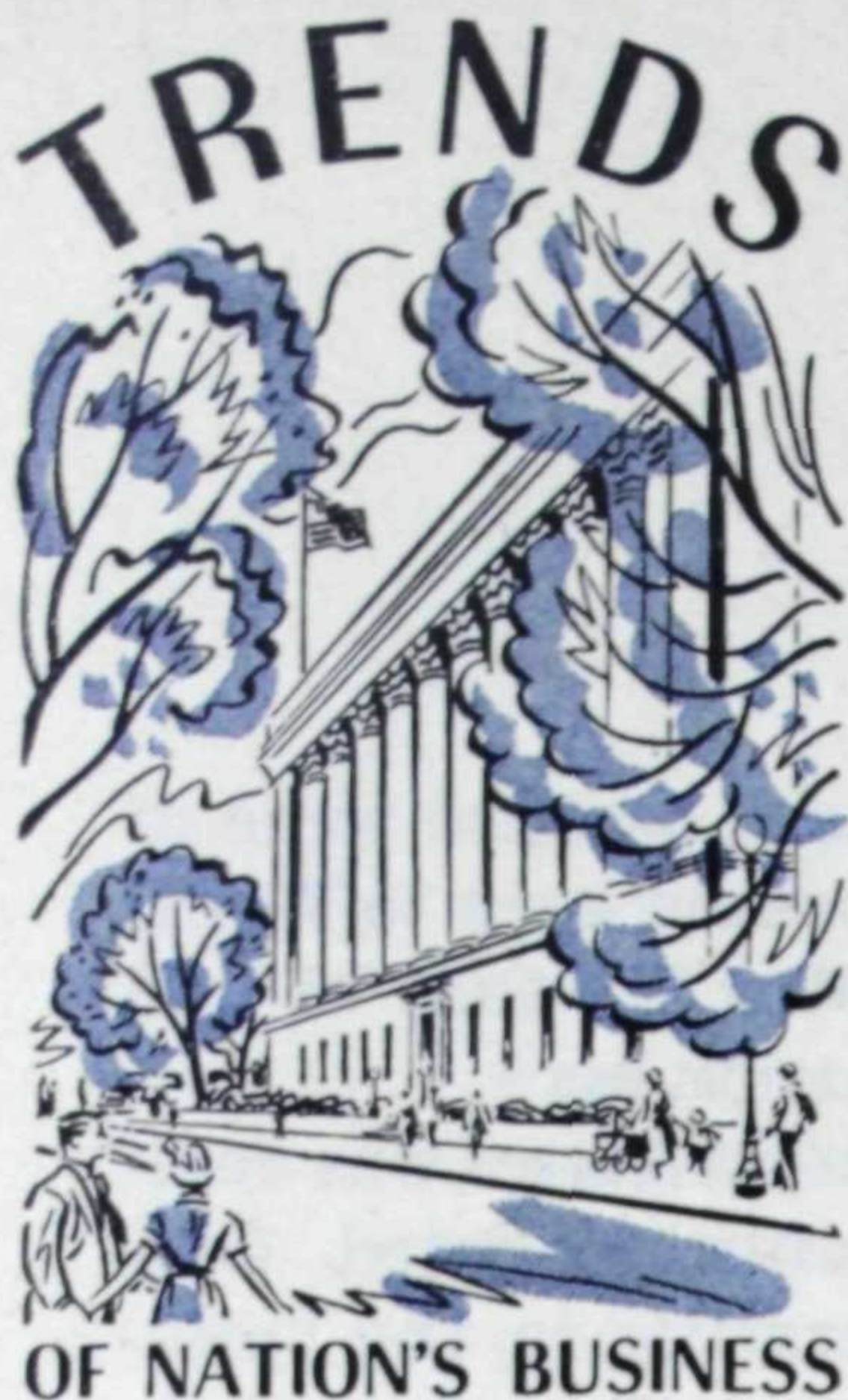
Weapons and equipment (except for the building of warships) were not terribly expensive.

Now these men find themselves with a military budget of \$60,000,000,000, a sum 15 times greater than the cost of the whole United States Government back in the Hoover Administration. They are acutely aware of what this means, both from the standpoint of the individual taxpayer and from the standpoint of the national economy.

They know that one of Russia's prime targets is the United States Treasury. This is not merely a deduc-







tion on their part, based upon intelligence reports. Stalin never has tried to hide his hopes that our economy would go into a tail spin.

Harold Stassen called on Stalin in the Kremlin on the night of April 9, 1947. He came away from Moscow with a transcription of what he and the Russian dictator said. This was fortunate, because there could be no better evidence of Stalin's interest in the American economy.

In that spring of '47, it should be remembered, the United States was emerging from what we had called the "reconversion period." There had been alarming forecasts of postwar unemployment and other difficulties, but so far they had not been borne out. A few excerpts from the Stalin-Stassen conversation will show how these forecasts had impressed the Russian and aroused his hopes.

Stalin: "Do you expect a crisis?"

Stassen: "I do not. I believe we can regulate our capitalism and stabilize our production and employment at a high level without any serious crisis. . . ."

Stalin: "Magazine analysts in the American press carry open reports to the effect that an economic crisis will break out."

Stassen: "Yes, there have been those reports in the papers. Also reports that there would be 8,000,000 unemployed the year after the war. But they were wrong. The problem is one of leveling off at high production and stabilizing without having an economic crisis."

Stalin: "The regulation of production?"

Stassen: "The regulation of capitalism. There are those who say there will be a depression, but I am optimistic and say that we can avoid a depression. I find a broader understanding by the people of regulation of capitalism than before."

Stalin: "What about business men? Will they be prepared to be regulated and restrained?"

Stassen: "No, some will have objections."

Stalin: "Yes."

Stassen: "But they understand that the 1929 depression should not be repeated, and they understand better now the necessary regulations concerning business. It requires a careful amount of fair regulation and wise decisions and prompt action by the Government."

Stalin agreed that this was true. He then went on to observe that the war lords of Germany and Japan knew nothing about economics; that the

only thing that they did know anything about was waging war.

Well, old Joe could certainly not say that of our own chiefs of staff. One of their principal problems has been to resist the pressure for "all-out mobilization," which naturally would mean heavier spending. This pressure became very strong last winter, after Red China jumped our forces near the Yalu in North Korea. There was a widespread feeling at the time that we were facing a Far East Dunkirk. Many senators and representatives could not understand why the Pentagon did not ask for higher appropriations.

The answer was that the chiefs of staff wanted an orderly build-up over several years, with particular emphasis on production facilities. As General Marshall put it, the United States had to build its strength on an enduring rather than a "one-shot" basis.

"The important thing," he told the House Appropriations Committee in December, "is to lay down the assembly lines, the tooling, the jigs, and so forth, so that we can build up quickly what may be necessary, rather than get such quantities as are possible now without developing the facilities."

What, Marshall asked, would happen if the United States went into total mobilization for a year or two, and then there was no war? How would the people react? And what would be the effect on our economy?

Admiral Sherman thought that Russia would be more than pleased if we fully mobilized and remained so for a number of years.

"Total mobilization long sustained," he said, "might be followed by another disastrous demobilization leaving us weak and vulnerable."

The judgment of these men in the Pentagon has been vindicated so far. The question they ask themselves now is: Will the American people and their representatives on Capitol Hill go along with them the rest of the way? Will they bear in mind that the greatest threat to world peace, the tremendous armed power of Russia, still remains and is growing?

The main purpose of our rearmament program, the professionals emphasize, was not to fight the Korean war; it was to develop such strength as to prevent World War III—or to be prepared to win it if it came.

What happens if we do continue to build up our strength and that of our allies, and we succeed in heading off a great war? W. Averell Harriman, who was our ambassador to Russia in World War II, believes that the Kremlin will find that it "must adjust its policies." He also believes that the "processes of disintegration" may begin behind the Iron Curtain.

—EDWARD T. FOLLIARD





THE dollars you get on pay day may look exactly like the next fellow's, but their purchasing power varies with an individual

PAUL HOFFMASTER

# HOW SOUND IS YOUR DOLLAR?

By J. C. FURNAS

**A** SHOE salesman of 75 recently got into the New York papers for having completed 55 years of commuting between Tarrytown and New York City. When he started in 1896—the year of Bryan's "cross of gold" crusade to make dollars buy less—his monthly commuter's ticket cost \$6.60. Today it costs \$18.22, almost triple, for much the same service—a little faster, a touch more comfortable, but the increase is all out of proportion to the improvements.

Or, to get frivolous, 80 years ago in mining-boom San Francisco—a boom that eventually helped dollars buy less—one of those silver

dollars that still wear out West Coast pants pockets bought eight cocktails. Now it buys two. The recent hike in federal liquor taxes means the dollar's ability to command potable Manhattans will probably drop another notch. Paradoxically, however, increased liquor taxes may help a dollar buy more of other things than it otherwise might.

The details aren't consistent. The \$1.25 that your wife paid for leg-flattering stockings in her flapper days still buys the same, only more flattering and durable because engineers have since developed nylon. Other technical

improvements enable the tires you buy today to give more miles to the dollar than those on your Stutz Bearcat 25 years ago, and give you more kilowatt-hours per dollar than your father got when he replaced gaslight with electricity. But such exceptions are awfully exceptional.

So what ails dollars? And, once diagnosed, can they hope for something like eventual health?

Joe Stalin fervently hopes not. He probably prays nightly to Karl Marx for ever more destructive inflation in America. He knows well how the shocks of successive ruthless inflations softened Europe up



# INFLATION



to be a sucker for both Communists and Fascists after 1918.

Ask economists for diagnosis and eventually you get a fairly clear answer. But it comes roundabout. Clearing their throats, they lead off:

"Money is a standard of value, a medium of exchange, and a store of purchasing power."

The layman—meaning me—can stare into that only a short while without dizziness. O.K. on the standard of value. Dollars make it readily perceptible that a seat at a first-run movie; a straight telegram from Bethlehem, Pa., to Indianapolis; a pound of good coffee and a half pint of weed-killer are approximately equal strains on the pocketbook.

O.K. on the medium of exchange. Dollars fix it so a fisherman doesn't have to dicker for a taxi ride from Long Wharf to Mt. Auburn against so many pounds of fresh mackerel.

But that "store of purchasing power" has been leaky during the 160 years since Thomas Jefferson and Gouverneur Morris needled the new United States into setting up their own coinage. There have been exceptions to this in the short run. A dollar put away in 1922 would have bought much the same

lunch in 1929. Saved in 1872, it would have bought a far better lunch in 1892. But in the long run dollars in mothballs have gradually lost their purchasing power.

Never in American history has it been true that a man who began hoarding or lending legal tender on reaching voting age could command the same or better purchasing power when he opened the hoard or collected the debt at the age of 70.

It's rather like, though far slower, what happened when the astute residents of New Caledonia (South Pacific base in World War II) ignored local rules about turning in U. S. currency and buried the dollar bills they had gleefully abstracted from GIs. As opportunities to smuggle dollars out of the colony arose, they were dug up—and most of them had mildewed to the point where not even the U. S. Treasury could have told whether the mass was money or a wasps' nest in bad condition.

Degeneration in dollar values over the centuries is not, however, vividly resented as are its shorter-run drops in purchasing power. Headline writers dramatize these latter by phrases like "the 54-cent dollar" or statements that the dollar has slipped 4.6 cents since the Korean war began. Such talk is almost meaningless unless you know what it is based on. Those particular figures take the dollar's 1939 purchasing power as 100 cents' worth, so they are just another way of saying that what costs a dollar

now would have set you back only 54 cents 12 years ago. Taking 100 years ago as base would equally justify talking about a "20-cent dollar."

How does anybody know? Well, Uncle Sam keeps tabs but his Consumers' Price Index, the usual background for such statements, involves some unavoidable vaguenesses.

For one thing the Index is only 38 years old. Facts on what cost consumers what before 1913 depend, not on scientific samplings and spot-checks, but on gleanings from advertisements, newspaper market reports and old account books. They're better gauges than nothing, but sketchy from the technical point of view.

Even post-1913 methods of keeping track of the hundreds of representative (they hope) retail prices behind the Index imply some embarrassingly abstract assumptions. The "market basket" of family purchases used to "weight" various items intelligently—rent, for instance, obviously cuts more ice than toothpaste—gets further from reality as time goes on, but it isn't practical to bring it up to date more than once every ten years or so.

Only this year have beer and television been included in items stewed up for the Index. In 1918, when the first market basket was set up, beer was prohibited. So, in strict logic, comparing a 1918 Index with a 1951 Index is about like comparing the cost of Abraham





Inflation can be brought to bay. However, courage to tax to the bone and to abandon easy money must be matched by strength on the part of the Government to economize

Lincoln's barouche and horses with that of Harry Truman's official limousine.

Nor can "whose dollar" enter properly into account. The dollar of the aforesaid old gentleman in Tarrytown is harder hit by skyrocketing rail fares than that of his neighbor who walks to a Tarrytown job.

Admitting television to an Index makes small sense concerning a family in an area which is still lacking the coaxial cable. The teetotaler's dollar doesn't care when the tavern keeper bumps the price of old-fashioned a dime. A jump in fuel oil prices dents my New Jersey dollar worse than that of a man in Key West. You could set up an imaginary person with cleverly selected diet, climate, and tastes whose dollar is worth 50 per cent more to him than that of another dream boy whose life is built round beefsteaks, rail travel, French brandy and new books.

Over-all, however, the Index is grimly useful, justifying its friends' claim that it does significantly, if roughly, gauge where the dollar stands—or sprawls. The housewife hardly needs telling. But, though both sides may question some technical details, both big-time management and big-time labor often show how seriously they take the Index by tying wage scales to its fluctuations.

This practice underlines the dismal fact that inflation is always toughest on fixed-income people—those retired on pensions or life

insurance—and those in civil service, where wages adjust to living costs much less flexibly than in industry. In the best spot, of course, is the black marketeer, whose quick turnover keeps him riding the bubble as it swells. He and Stalin, in fact, are the only people for whom the Index's soaring jiggle is undiluted good news.

So far this is still a long way from diagnosis for dollars.

To the economist, the long-run, creeping rise in dollar prices shows that the amount of money in circulation has risen faster than the amount of goods and services available during the past few centuries. The same applies to short-run situations.

Emphasis on this "quantity theory of money" varies among economists, but practically all use it to some extent as a tool with which to think.

How it works was clearer in the dead past, when money meant important proportions of actual coin in circulation. Then sudden strikes of money metals—gold or silver—meant jacking up of prices because, although the supply of things people wanted remained much the same, money jumped in quantity and prices were inevitably bid up. That happened after Spain tapped the mines of newly discovered America, after the California gold rush, after new extraction methods made South African gold readily available.

It has been less clear as paper money grew more prevalent and as

the development of modern banking altered the basis of money, which, for centuries, has had less to do with round, flat chunks of metal, government-stamped to guarantee weight and fineness, and more to do with abstract marks on paper. By now silver coins are mere change makers, and nobody cares if their silver content is not worth their face value. Gold coins have been withdrawn to Fort Knox, and even the reserves of the Federal Reserve Banks consist of "gold certificates"—pieces of paper in lieu of gold kept elsewhere.

Other pieces of paper still passing from hand to hand—silver certificates, Federal Reserve notes—no longer represent more than a minor fraction of money transactions. In its "medium of exchange" function, money now consists primarily of "demand balances" in banks, which change hands by means of checks, fluctuating in total amount as people want credit.

The situation also includes an inscrutable gimmick called "velo-

(Continued on page 74)

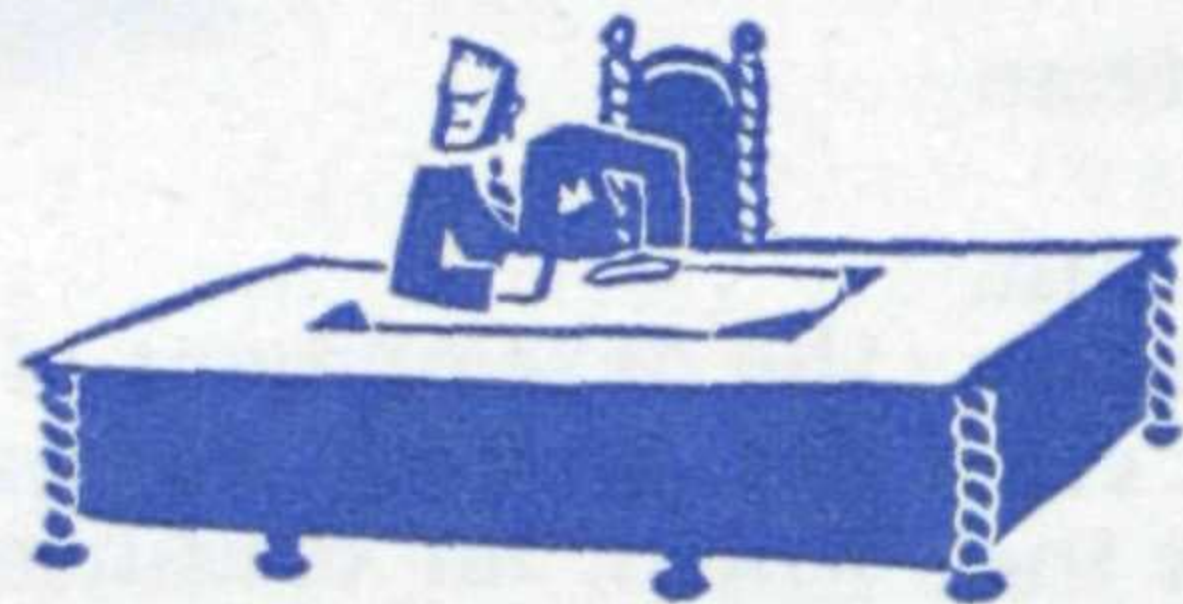


# The Club that Fights for Frontiers

By STANLEY FRANK

Ray Hickok: founder of Y. P. O.

**THE Young Presidents' Organization, where members have made good by the time they are 39, is working to keep opportunity alive in the world**



**T**HIS IS one of those typical American contradictions that accounts for the peculiar incidence of stiff necks among communist propagandists. Their necks are fractured periodically taking dry dives off their lofty diatribes against capitalism in fits of frustration. A few months ago a group of "pluto-crats" formed an organization more exclusive than the Bourbon Pretenders but which is, paradoxically, one of the most democratic clubs in the world.

To become a brother in the lodge, a candidate must be the president of an industrial corporation with annual sales of \$1,000,000 and 100 employees, or the head of a service concern with an annual turnover of \$2,000,000 and 50 employees. That's capitalism. There is another, more stringent requirement for membership. A successful applicant must have been elected president of his company before reaching his thirty-ninth birthday. That's free enterprise—and preserving it is the sole objective of the Young Presidents' Organization.

The Y.P.O. has no elaborate clubhouse or social program. Its headquarters is a plain room in a New York hotel and the boys are too pooped to cut up fancy touches after wrestling with the agenda. Every meeting is called for the same purpose—to

take aggressive action to promote the incentive state as opposed to a governmental welfare state. Specifically, the members want to insure the development of Charley Willises to replace them when, according to the bylaws, they must retire with no voting privileges at the age of 49.

Charles F. Willis, Jr., enlisted in the Navy as an apprentice seaman in 1940, after being graduated from the University of Florida, to prove to himself that the rheumatic fever he had as a child had not left him with a weak heart, as doctors had predicted. Five years later he was discharged with the rank of lieutenant commander and five Distinguished Flying Crosses won in Europe and the Pacific.

Although Willis had absolutely no business experience, he invested the \$2,000 he had saved in the service and \$11,000 more borrowed from friends in an air freight line. His was the largest cargo carrier in the East in 1949 when the Civil Aeronautics Board suddenly ordered him to liquidate his business in 60 days. No satisfactory explanation for the order ever was given Willis or aviation experts.

The C.A.B. had no more success keeping 31-year-old Willis grounded than the Germans and Japs. He opened a school for airplane mechanics at Teterboro, N. J., with the capital he managed to salvage from the forced sale of his planes. Then he bid for the franchise to supply gas and oil to trans-Atlantic airlines operating from New York's new Idlewild International Airport. Sixteen well established firms submitted bids, but Willis' was the lowest. Today, 420 students are enrolled at his school and he owns the world's largest private gas and oil servicing company, supplying planes at Idlewild with 25,000,000 gallons a year.

Willis is a dramatic, but hardly an unusual, example of initiative in the Y.P.O. Marion Harper, Jr., went to work for the McCann-Erickson Advertising Agency as an office boy trainee in 1939 and nine years later, at the age of 32, was elected president of a company billing \$68,000,000 a year. Charles





JOE KOSTIN

### Development of the incentive state as opposed to the welfare state is the group's big aim

R. Tyson, 37, is head of the John A. Roebling's Sons Company of Trenton, N. J., which builds \$50,000,000 worth of bridges and structures annually. William F. Rockwell, 38, is the top man of a Pittsburgh steel company that does \$70,000,000 a year and employs 7,000 people.

Answering the inevitable question quickly, 25 per cent of the 125 young presidents inherited their businesses and positions. The rest made it the hard way, on sheer merit. All of them—the average age is 36—were adolescents during the depression when the future was bleak and getting an education was a hard scramble. The majority served in the armed forces during the war and suffered interruptions of their careers during those years an ambitious young fellow ordinarily advances by easy stages through the lower echelons of his company.

That normal process of development was disrupted by the war. GIs and officers alike coming out of the service had lost touch with business techniques and civilian attitudes. But they were intelligent and industrious and their ability was recognized and rewarded handsomely in five short years, or less. There may be a better, more convincing argument in favor of the free enterprise system, but no one has discovered it yet.

"We're not Young Turks who are trying to revolutionize business or the country," says Ray Hickok, 33, the founder of the Y.P.O. "Nor are we a bunch of guys who are resisting creeping socialism because we want to hold on to what we've got. As a group, I think we're more liberal than our predecessors. The hardships suffered by kids of our age during the depression made us realize the need for social security and unemployment benefits, but we believe that the trend toward a bureaucratic, hand-out state is stifling the initiative that is the stock-in-trade of our members.

"We're strictly a nonpartisan group interested only in maintaining an economic and political system that provides all reasonable opportunities for people with ability to better themselves."

The Y.P.O. had its genesis in 1945 when, shortly after Hickok was discharged as a sergeant in the Air Force, his father died and left him the famous belt manufacturing business at Rochester, N. Y. The board of directors elected him president of the company, much to his own and other people's astonishment. Visitors at the plant constantly were mistaking the raw-boned kid—Hickok was captain of the Rollins College crew—who walked around in his shirt sleeves for the janitor's helper.

That didn't bother Hickok; the nights were the difficult time. He tossed sleeplessly and paced the floor wondering whether he had made the correct decisions during the day. He wanted to thresh out his problems with other young fellows in the same boat and finally got in touch with Arthur Reis, then 29, whose situation was practically identical. Reis, an enlisted man in the Air Force, had been cleaning lavatories and rooms in Atlantic City hotels used as rehabilitation centers. A week or two later, his father died and he was president of Robert Reis & Company, underwear manufacturers.

"I always had been known as the kid who helped the board of directors with their coats after meetings," Reis says. "The next time I saw the board I was sitting at the head of the table. I was scared stiff."

Hickok and Reis met informally several times a year and found their conversations so mutually helpful that they wondered out loud whether there were enough young presidents to form some sort of organization. They were bowled over, on consulting Poor's Register of Directors and Executives, to find some 450 men in their age group were heads of large corporations. Twenty men picked at random from the New York area were invited to a meeting Oct. 20, 1950, and the idea was welcomed so enthusiastically that the Y.P.O. promptly was founded with Hickok the president.

The quick acceptance of invitations, accompanied by dues of \$100, to join a group with a still-nebulous program indicated the need for such an organiza-



tion in all parts of the country. Within two months the Y.P.O. had 92 members whose businesses grossed \$606,619,159 in 1950 and employed 57,251 people.

The Y.P.O. makes no pretense of representing or reflecting the views of the nation's young, influential management. Many important executives have not responded to invitations, notably Henry Ford II, 34, Charles Percy, 31, of the Bell and Howell Company of Chicago and Robert G. Dunlop, 42, who has been president of the Sun Oil Company for several years. The roster already includes enough case histories, however, to belabor the point that there is a spectacular payoff for diligence and courage in the free enterprise system.

**F**RANK B. Rackley, 34, had a fine job as western manager of stainless steel and alloy sales for the Carnegie-Illinois Steel Corporation. Associates assured him he was out of his mind in 1948 when he resigned to become general manager of the Jessop Steel Company, a firm that was on the rocks and sinking fast. During the next two years Rackley was offered any number of top executive jobs in the industry involving more money and fewer headaches, but he rejected all of them.

"Too many people depend on my making good here," he said. "If I leave, the plant will close and the town will lose a lot of paychecks that are keeping families going." Today, Jessop and its 800 employees in Washington, Pa., are flourishing and Rackley is recognized as one of the brightest young men in the nation's key industry.

Richard F. Sonneborn could have fallen into a soft, cushy spot with his father's oil and grease company when he was graduated from the University of Virginia in 1939. He chose, instead, to go to work for the Goodall Company in Cincinnati for \$12 a week. After acquiring two years of experience, Sonneborn then went into his father's business as a salesman. He was so successful in lubricants that an entirely different field made a pass at him. The 40-year-old Mohawk Brush Company, a subsidiary of Fuller Brush, was a moribund venture in November, 1949. Howard Fuller heard of the young fireball, put him in charge at Mohawk and its line, completely overhauled by Sonneborn for greater eye appeal, once again is a leader.

The thumbnail biographies that accompany membership applications in the Y.P.O. demonstrate the wide variety of springboards to the top of the heap.

Martin A. Janis, 37, credits correspondence courses for his rapid rise as a potato chip and popcorn tycoon with Kuehmann's of Toledo. Peter DeLeeuw, 35, president of the First National Bank of Garfield, N. J., literally learned his business from the ground up, starting as a messenger boy when he was 14. William H. Coleman, 33, borrowed \$4,000 a decade ago to launch a wire manufacturing company, left it in the hands of a dozen employees when he went away to see a man about a war and returned with a welter of new gimmicks for exploiting his product.

Richard Sellars, 36, president of Ethicon Suture Laboratories of New Brunswick, began as a salesman for Johnson and Johnson and worked up through the ranks to his present eminence. Jerold C. Hoffberger, 32, saw a lot of North Africa and Italy from a tank turret, got an office job with the National Brewing Company of Baltimore and within two years was elected president on the basis of suggestions which increased sales more than 100 per cent and quadrupled the brewery's capacity.

All the stories do not follow the classic Horatio Alger formula. The boys who inherited their business had hard sledding surmounting psychological handicaps inherent in the situation.

"It was awfully tough getting on a first-name basis with customers of my father's generation," says Lloyd Dalzell, 34, the head of his towing company. "Some resented me as a fresh kid if I tried it. Then when I adopted a more formal approach, I began losing business to competitors who could walk into a guy's office and slap him on the back. It was a long time before I established accord with older men."

"I don't know how it was with other fellows," Arthur Reis confides, "but my trouble was overcoming a feeling of inferiority. My father was a very strong, dominant personality and, although my employees expected me to inherit the business, I knew they were measuring my moves by the way I filled my father's big footsteps overnight."

"Every son who succeeds his father faces a dilemma," comments George Schlegel, whose lithographing company in New York City was founded in 1841. "He's got to reconcile the ideas and principles he inherits with his own personality and convictions. The most difficult part of making adjustments with a conservative tradition is establishing a working relationship with the board of directors. The young fellow must convince his board that progressive conditions make it imperative to scrap many old, deep-rooted practices. At the same time, he's got to realize that all his ideas are not good just because they're new."

**ALTHOUGH** more than 50 industries and services are represented in the Y.P.O., the members see eye to eye on one common problem and speak the same language in proposals to solve it. They are unanimous that visionary pie-in-the-sky schemes and individual security founded on handouts from the Government are dangerous delusions undermining America's traditional independent spirit. Many have been appalled in recent years to find that college graduates applying for jobs are more concerned with the company's pension program than the salaries they are offered. The Y.P.O.'s No. 1 purpose is to demonstrate that incentive makes for the most efficient and productive business, that it is the best business for everyone.

"All this is fine, brave talk," Hickok remarks, "but it won't mean a damn unless we clean our own houses and provide proper methods of advancement for our own employees."

To this end, Hickok's company has instituted profit-sharing and multiple-management plans. In the latter scheme, a junior board of directors, which elects its own successors, is set up to advise the big brass on high policy matters and participate more closely in the actual conduct of the business. Several other Y.P.O. members have adopted multiple management with conspicuously good results, notably Roger Nicholson's Master Rule Company of Middletown, N. Y., and Dalzell's towing company.

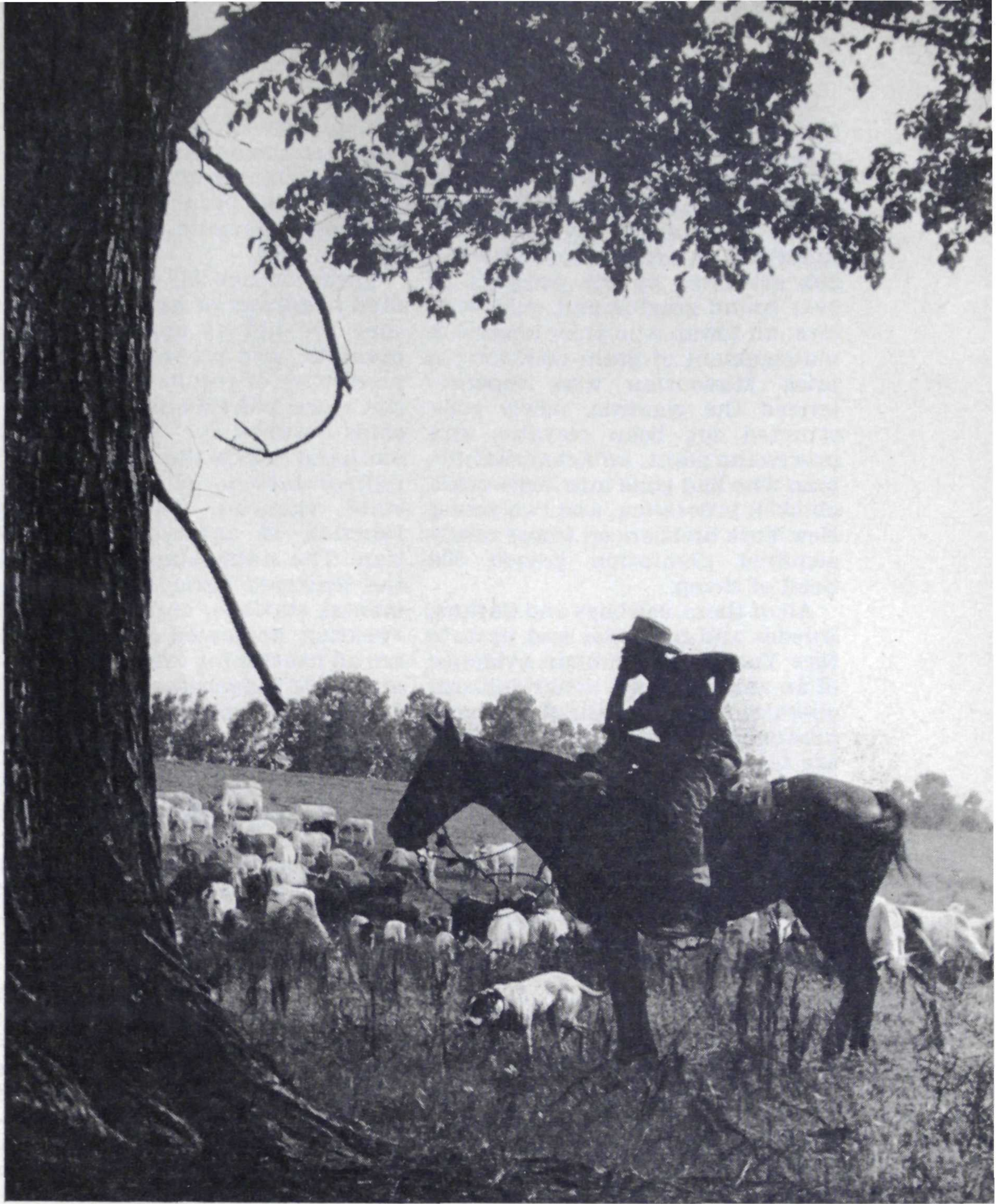
To promote the incentive state, the Y.P.O. has launched a series of forums for young executives, including nonmembers, to explore other means for perpetuating the opportunities that made them what they are today. A proposal to make young congressmen honorary members of the organization sounded fine at first, but a majority of the boys, after thinking it over, decided that approach would be misconstrued as an attempt to form a high-pressure lobby. Congress- (Continued on page 73)



# You'd Never Know the Old Place

By HODDING CARTER

NATIVE sons, returning to the old homestead, will be surprised now to find cattle on deep South acres once given over to cotton that has moved to the West



Cowboys offer human evidence of the shift in the old South's operations

THE PARISHIONERS of St. James Episcopal Church of Greenville, Miss., were startled one Communion Sunday last fall by the footgear of a kneeling male communicant. The stranger at the altar rail wore shoes that were pointed and extended far inside the trouser cuffs, and were supported by three-inch heels. Unmistakably, the otherwise acceptably dressed worshiper was wearing cowboy boots. Probably a Texas visitor, they surmised, or even the star performer of a wild west show.

But the wearer of the unorthodox boots was neither. He was, instead, a bona fide Texas rancher who had migrated with five ponies, two ranch hands, 400 head of cattle, a roundup dog and an attractive family to the greener pastures of the new cattle country in the lower Mississippi valley.

Though his boots were a little

surprising, the people of what is called the Mississippi Delta—that flat, alluvial land running south from Memphis to Vicksburg and lying between the Mississippi and Yazoo rivers—were not otherwise astounded by his arrival. For more than five years, cotton's ancient kingdom, from Georgia to the banks of the Mississippi, has been growing as accustomed to the roundup and the stockyard auction as to the lint that clings all fall to the suits of the planter and the cotton classers.

This land, once prostrate from a one-crop cotton economy, also has been meeting other newcomers set apart less by their garb than by their occupations. Among the new citizens of the little river city in cotton's old kingdom could be counted several south Louisiana Cajuns, drawn to the Delta because they were experts at rice growing,



and rice was becoming a major crop on the black, clayey "buck-shot" along the river.

Their fellow newcomers to the Delta included Scandinavian-American dairymen from Wisconsin, attracted by the prospect of year round grazing and mild winters; an Iowan who knew about the management of grain elevators; a brisk Missourian who superintended the gigantic, newly constructed soy bean elevator and processing plant; an Arkansas hillman who had gone into large-scale chicken processing, and two young New York brothers on whose newly acquired plantation grazed 600 head of sheep.

All of them, cowboys and Cajuns, Swedes and hillbillies and upstate New Yorkers, are human evidence of an amazing shift in agricultural operations. The changes are most pronounced in the South but they are taking place elsewhere in the nation as well; if the outsider is coming into the old cotton South to diversify and enrich its agriculture, and if most of the long-time citizenry are beginning to do the same thing, other southerners are following cotton on a long journey west.

**O**UT in the Southwest and on the West Coast, men who once talked only of livestock or orchards or large truck farming enterprises are shifting cotton's center to their irrigated lands. Corn to North Carolina, wheat to the East, cattle and corn and oats to the deep South, cotton to the West—not by happenstance or, at the other extreme, through government order, but as the end result of a variety of agricultural programming.

It is difficult to determine the primary credit for this potentially most enriching and salutary development in the history of American agriculture. Certainly the original farm program back in the early 1930's, withdrawing lands from production of row crops, and putting a premium on soil conservation and new crops and healthy agricultural practices, hastened the day.

Equally certain, the new breed of farmers, developed in the agricultural colleges of the country, are more receptive to experimental change. The dictates of relative yields per acre, especially in a day of rising production costs on all fronts, make it imperative that the farmer turn from one staple to another or from staple to specialties in terms of what pays him best.

The demands of a wartime economy are significant too, as witness

the upsurge in cotton planting—reversing the new trend in the deep South with not altogether fortunate results—because of the Government's demand for 16,000,000 bales in 1951.

These factors all have contributed to greater or less degree. But they are not as apparent, or as dramatic, and probably are not as productive of results as have been the more individualized relationships between the farmer on the one hand and on the other the field representatives of federal and state agencies whose primary function is agricultural education. The state extension services, the scattered agricultural experimental stations, and the patient, sweating, dedicated county agents are all heartening examples of federal-state cooperation with the individual on a voluntary basis. They prove and prompt and persuade, and the farmer listens and generally follows suit, because he has learned that these educators talk sense.

Only a quarter of a century ago, probably a majority of southern farmers laughed at the agricultural scientists, the men who thought book learning had something to do with farming. Now, the agricultural experiment stations are visited by the multiplied thousands of believing farmers; the friendly agent is listened to, and the bulletins of the extension services are read and put into practice. And latterly the soil mappers have made the farmer think twice before he decides what to do with that pesky hundred-acre tract.

This kind of governmental participation in farming practice is voluntary, or largely so, and it is likely to remain that way. As a reporter who has been covering the Department of Agriculture in Washington for many years explains:

"With planting patterns as they are at present, our farm output has about reached its limit. The best promise for any sizable increase is a more efficient use of the land, such as growing cotton in areas that produce the most per acre, and transferring the displaced crops to other sections which can produce them in equal measure. Thus cotton planting is increased in California and decreased in Georgia while beef, dairy or vegetable production is decreased in California and encouraged in Georgia. Another goal is economy in transportation. In World Wars I and II our most acute shortages often were not the result of an over-all scarcity in those commod-

ities but rather the inability to transport them to the consumer."

Already the farmer has been conditioned to such a voluntary program, if it should be adopted, by the work of several agencies: the Soil Conservation Service, the Extension Service, the Production and Marketing Administration, the Forest Service and the Rural Electrification Administration. They have been preaching selective agricultural production since the 1930's, and especially since World War II, at the level of the individual farmer.

**S**O IT is that historical patterns are being overturned, and that the transition will be hastened by education and by defense needs. The nation will prosper.

As a case in point, take the production of cotton in Alabama and Georgia. Georgia's ten-year average was 243 pounds to the acre, and Alabama's 272 pounds. On the other hand, two newcomers to cotton production, California and Arizona respectively, produced in 1950, 770 pounds and 634 pounds to the acre. Last year's total production in Georgia was only 510,000 bales and for Alabama 580,000 while California produced 880,000 bales and Arizona 428,000 as against a ten-year average of 188,000. It's easy to see in what direction cotton is heading.

But before feeling sorry for Alabama and Georgia, take a look at what is happening to livestock. Especially in the past five years, cattle raising has been encouraged, and new types of grasses, legumes and other forage crops developed for the once worn-out cotton lands. Today, western cattlemen, accustomed to a ratio of ten acres to one head of cattle, gape at a deep South production record of 1,200 pounds to the acre on once abandoned land.

In 1950 Georgia's and Alabama's and Mississippi's cattle increased more than 11 per cent, while the nation showed only a three per cent rise—and California and Arizona actually declined one per cent!

An even more emphatic demonstration of change appears in a comparison between the number of cattle in the legendary cattle raising West, and in the south Atlantic states: 13,345,000 in the West, and 20,035,000 in the south Atlantic. And while the South showed an over-all increase of about seven per cent, the West showed a decline of two per cent.

The same trend is apparent in dairying. The number of dairy





PHOTOS BY BERN KEATING FROM BLACK STAR

### County agents and soil scientists have dedicated themselves to helping the farmer

cattle in the north central states, including Wisconsin, decreased one per cent in 1950 over 1949, while the number increased four per cent in the south Atlantic and the south central states in the same year.

Nor are these revolutionary switches restricted to cotton and cattle. Thanks to new hybrids and anhydrous ammonia applications, the South is now producing, on once exhausted lands, corn yields as great as or greater than those on the much higher priced lands of the corn belt. A North Carolina experiment has shown that it cost only 71 cents a bushel to produce 81 bushels of corn per acre in contrast to \$1.24 a bushel on land producing only 28 bushels.

This development and cultivation of plants resistant to or adaptable to climatic peculiarities has other startling aspects. Dr. Robert M. Salter, chief of the Bureau of Plant Industry, Soils, and Agricultural Engineering at the Agricultural Research Center, Beltsville, Md., predicts that the cost of growing wheat in huge yields per acre on irrigated eastern coastal land will some day be considerably less than for smaller yields on the southwestern plains.

This can be accomplished, he believes, through relatively inexpen-

sive supplemental irrigation in the humid eastern states.

"There are thousands of farms in the humid states where water is available and where the necessary investment in supplemental irrigation—light, inexpensive mobile systems—might pay off. There are more than 100 medium and large rivers in the eastern United States that flow year round. Adjacent to them are more than 50,000,000 acres of well drained land. Modern engineering would permit tapping these streams for supplemental irrigation without damming them.

The opportunities to supplement rainfall on the rich valley lands of the eastern United States are enormous. During the last few years, supplemental irrigation has been tried by farmers in the humid region with profitable results on orchards and on small fruit and vegetables and with encouraging results on pastures and certain field crops.

So much for the bright side of a transition that is both inevitable and, for the land and most men, promising. There remains the mounting problem of human displacement. It is considerably easier to effect an agricultural revolution than to make room for those who are uprooted by that revolution.

There are in the southern states, more than 6,000,000 people—most of them Negro—who are being disadvantageously affected by proper land use.

The more skillful and better educated are finding a place on the tractor's seat and in the plantation mechanic's outbuilding, and are earning more than their fathers dared dream of. But they will be at best no more than one in four when the transition is complete.

It is estimated that Mississippi has lost since 1940 more than 250,000 of the 1,000,000 Negroes who made up approximately one half of its population ten years ago. Alabama and South Carolina will show a smaller but as significant a decline. The big cities of the East, and now more especially those of the Middle West and the Far West can tell you where many of them have gone, but they cannot give the answer as to how the newcomers and their gathering brothers will be absorbed. The switch to cattle and to new crops, and the mechanization of the southern farm, helps the majority; in terms of national defense and the restoration of the land, the change is welcome; but for the minority which weighs upon America's conscience, no profit accrues.



# Courtesy Goes in Business

By JAMES L. HARTE



Jane Marilley, right, founded a business. She and associate Margaret Abell are secretaries for people who aren't there

**O**N APRIL 1, 1947, with a cubbyhole for an office, Courtesy Associates was born. Today this organization is big business, occupying ample quarters in the heart of the financial district of the nation's capital. And its yearly gross runs to six figures.

The original idea of Jane Marilley, who dreamed up the business, and her associate, Margaret Abell, was to provide a telephone-answering and secretarial service to "keep the wheels of business and industry in motion." Clients were slow in coming, until two young men named George Truman and Clifford Evans got Courtesy off to a flying start, literally. Minus capital, planes and equipment, the pair nevertheless were obsessed with the idea of attempting a world flight in single-engine planes of Cub size, never before done. They asked the girls for help.

The original Misses Courtesy took on the task, obtaining planes, equipment, supplies; suggesting routes and arranging for visas;

handling publicity; managing the flight, which began in August, 1947, and was successfully completed in December, 1947.

From that time on, Courtesy Associates began to grow. As businesses and individuals called upon them for the unusual, the girls had to expand from a secretarial service to a "we can do everything under the sun" organization. They have never been stumped, even by such an assignment as to deliver a bottle of a certain brand of sparkling burgundy on a specified date, to be served at a certain meal on that date, as an anniversary reminder to a prominent business man and wife aboard a luxury ship cruising the Caribbean.

With unification of the armed forces came the replacement of the annual Army and Navy Day celebrations with Armed Forces Day. Representatives of Army, Navy and Air Force, each fearful of charges of showing partiality to his service, turned the arrangements for the celebration and its climaxing dinner over to Courtesy. The girls

have managed, from start to finish, any number of conventions and meetings.

Other activities of the organization include such services as a baby-sitting register, shopping, travel and ticket procurement service. Courtesy hires the domestics for the homes of several members of both houses of Congress and for certain of Washington's social leaders; it has arranged wedding receptions, including one of the city's most remembered, a sumptuous affair for an attaché of the Netherlands Embassy. And it has been called upon to provide a proxy bridegroom for the marriage ceremony of a GI in Korea to a Washington girl.

Everything is but a side line, however, to the business service for its more than 400 clients who include lawyers and lobbyists, meat packers and mechanics, dentists and doctors, manufacturers of everything from films to fire extinguishers. The special Courtesy switchboard contains extensions of the telephones of all clients. A call to the Washington office of client Curtiss-Wright, for example, will ring simultaneously in both places. If answered by the subscriber, the extension is immediately cut off and cannot be cut back into the conversation. If not answered by the client in accordance with a ring-signal system, a member of Courtesy's staff answers with "Curtiss-Wright" and goes on from there exactly as though she were a secretary in the firm's offices.

Many industrial concerns do not maintain Washington offices although they do much business with government and private concerns in the city. Each has a Washington telephone, however, connected with the all-encompassing Courtesy switchboard.

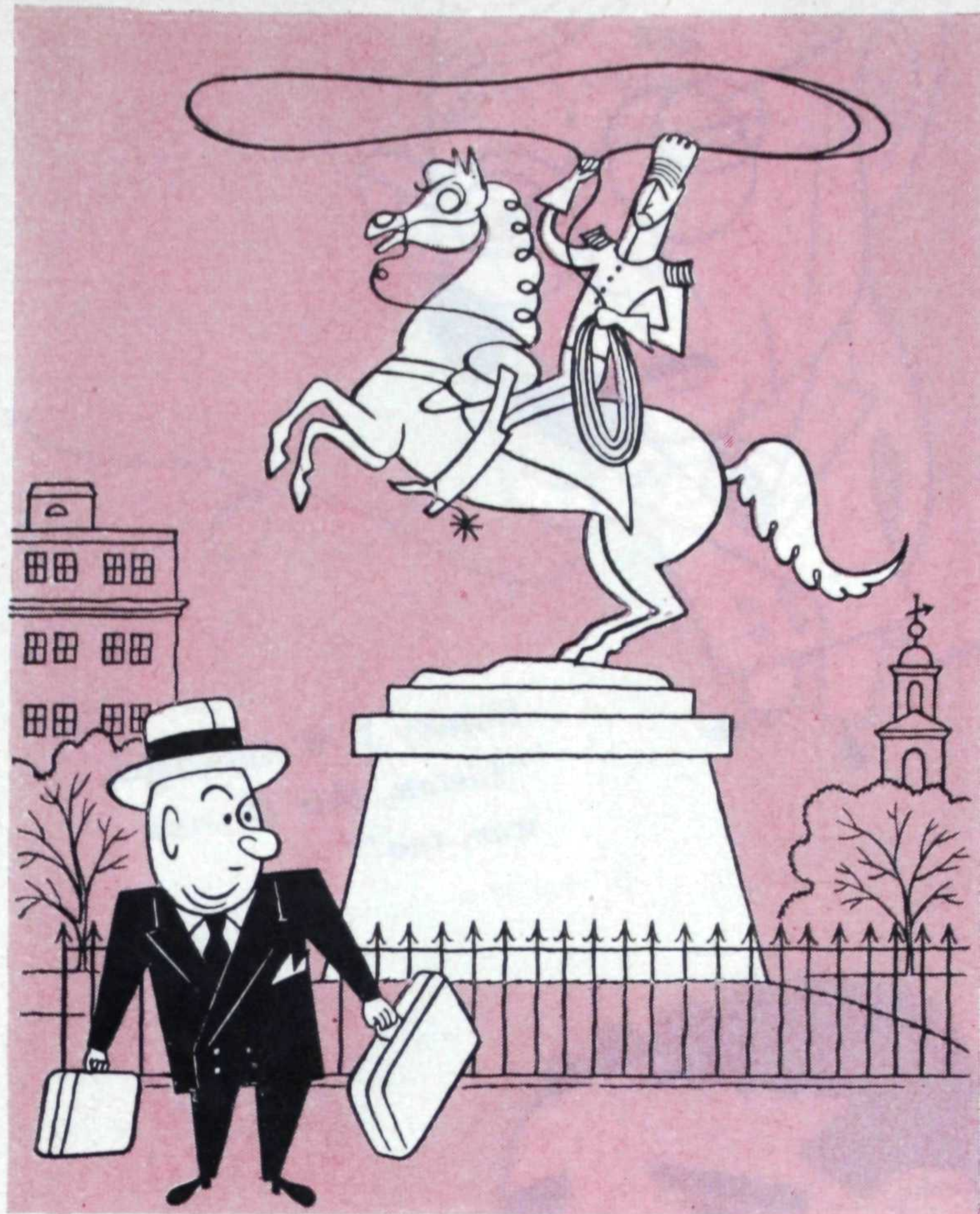
For business men from all parts of the country, and from out of the country, who must on occasion visit Washington and who, unfamiliar with federal red tape, get snarled up and lose valuable time, Courtesy provides unseen secretaries. They make desired appointments, cut through red tape, and frequently save the visitor several days in the process.

Founder Jane Marilley, a graduate of Trinity College, Washington, in 1944, is proud of never having failed a demand. No client has ever complained.

Most, like Edward A. Cassidy of General Tire, commend it as "worth much more than the modest fees it imposes, in the good will it maintains and the doubled efficiency it gives business."



**KEY MEN** for the Government's production program are as vital as troops. Getting them, however, is still a hit-or-miss proposition



# Man Hunt on the Potomac

By SAM STAVISKY

**E**D WRIGHT, who is OPS Director Mike DiSalle's recruiting sergeant for key personnel, recently phoned a textile industry executive and urged him to come to Washington to put in a stint with the Office of Price Stabilization.

"Look, Ed," wearily responded the industrialist, "OPS is the sixth government agency to ask for my services in the past six weeks.

"Don't you think it's time you officials in Washington got together on your mobilization man hunt?"

The fact is that it's not only time Uncle Sam had a unified program to bring the practical know-how experts of industry and business into the mobilization effort; it's getting late!

More than a year after the outbreak of war in Korea, the enlistment of superior brain power into the production front is still a wasteful, hit-or-miss proposition, with a score or so defense agencies flailing the bushes in a wild scramble for talent, even as they conducted fitful man hunts during World Wars I and II.

In the first hot flush of the Korean war, when there was a sense of immediate danger, it was relatively easy to round up capable men for the top mobilization jobs through the "daisy chain" method.

For example, Secretary of Commerce Charles Sawyer brought into the production front William H. Harrison, president of International Telephone

and Telegraph; Harrison brought Edwin T. Gibson, executive vice president of General Foods, as his deputy; Gibson then persuaded . . . and so on.

Another approach was to bring in a "professional body snatcher," a man of high esteem with a wide acquaintanceship in the world of commerce.

So it was that Defense Mobilizer Charles E. Wilson brought in ebullient Sidney J. Weinberg, New York banker and onetime director of 35 major corporations, chief recruiter of key men for the World War II War Production Board.

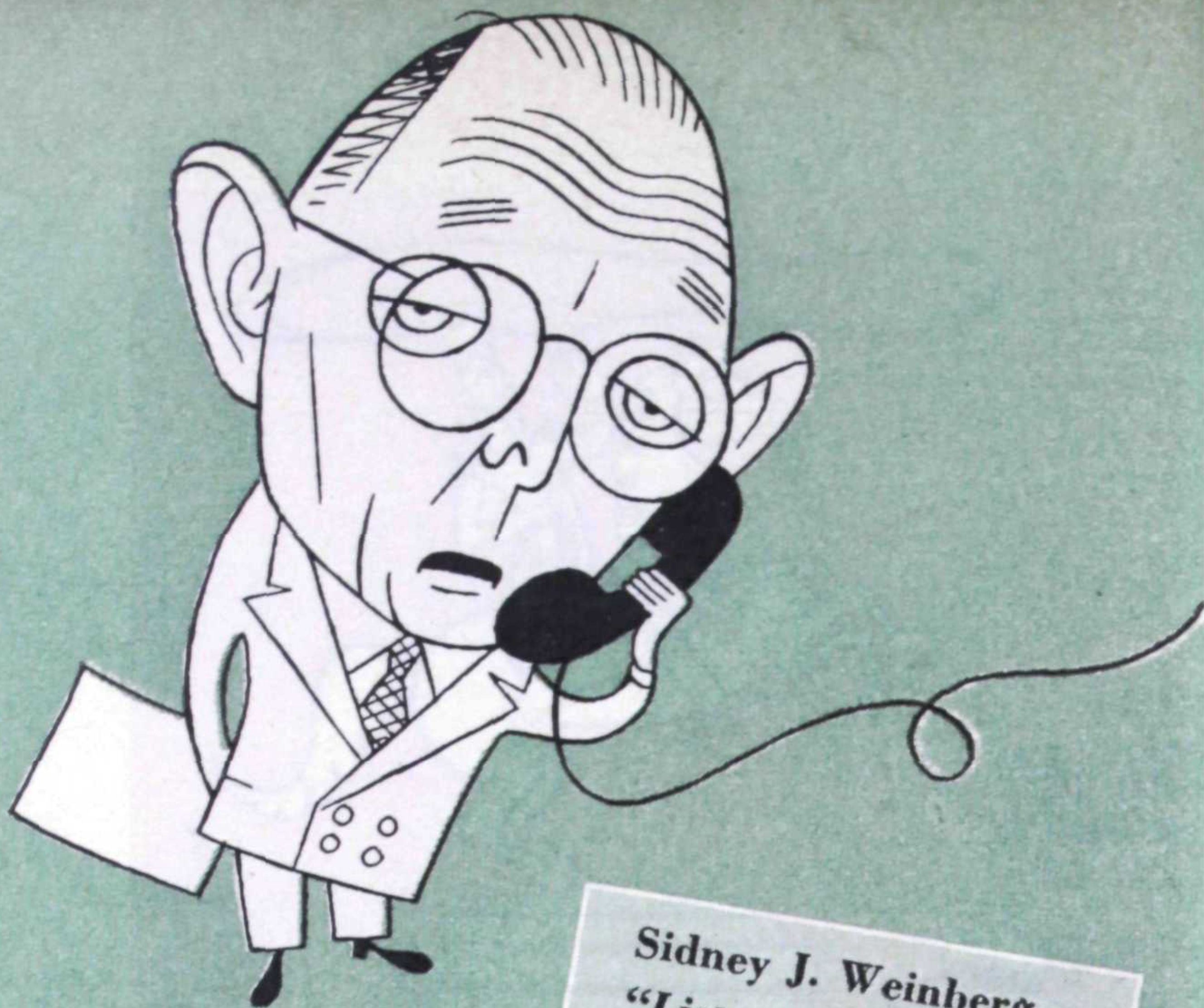
"Don't you know there's a war on?" cried Sidney, talking into his phone and brandishing it at the same time. "Listen, this is your war, too!"

Similarly, Price Stabilizer DiSalle came up with soft-speaking, persuasive Edmond F. Wright, presidential assistant at John Hancock Mutual Life Insurance Company. Wright, former assistant dean and placement director at Harvard's business school, is a human catalog of bright young men going places in industry and business.

"When we have to, we blast them into government service by waving the flag," says Wright.

Other makeshift methods of recruiting have been tried: circulating a form letter to the big corporations asking them to please, please lend-lease an executive or two for the mobilization effort; sending out "task forces" to lasso spare industry captains and lieutenants; taking off after executives who've been retired but are fit enough for a position in

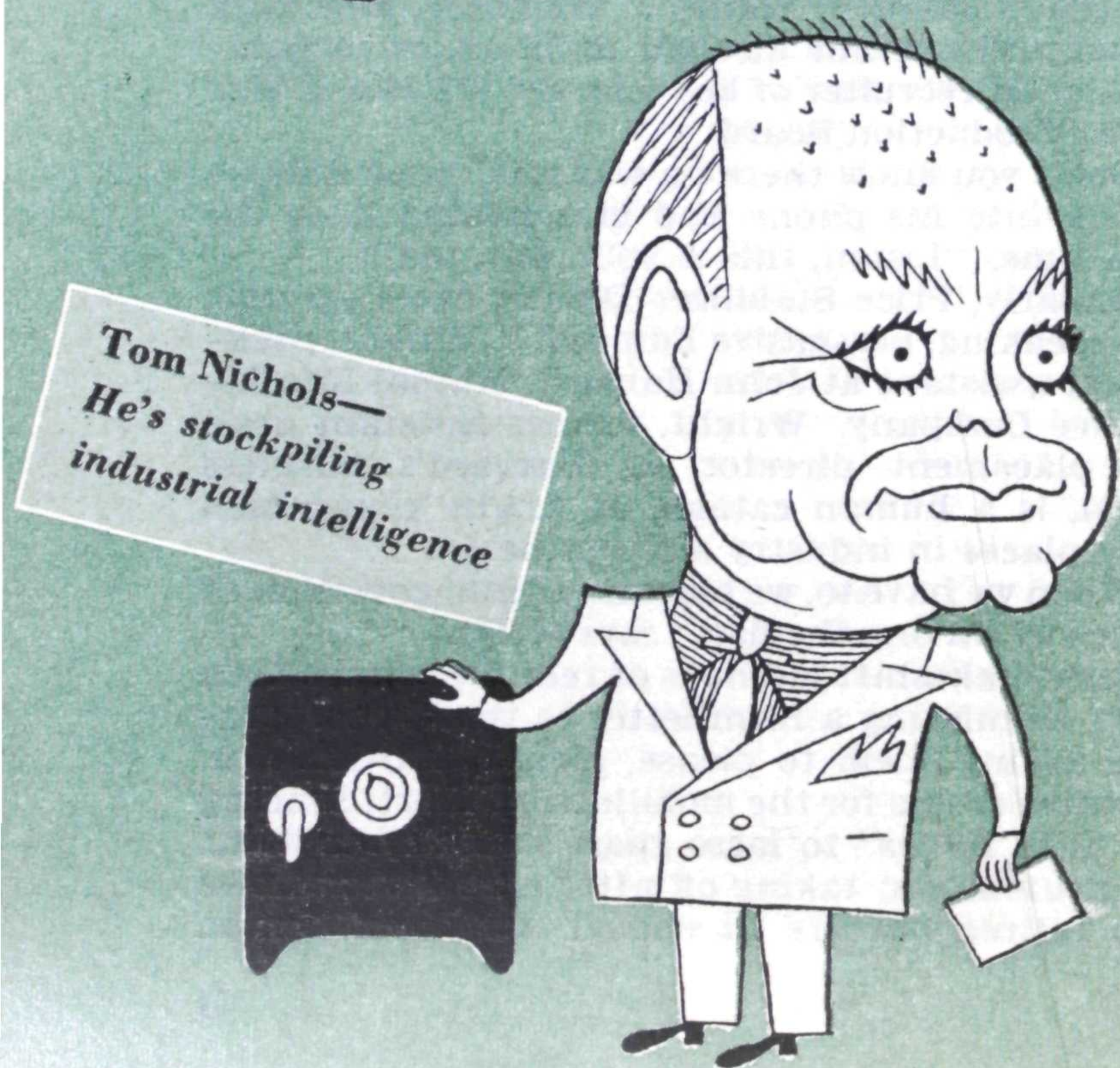




**Sidney J. Weinberg—**  
*"Listen, this is your war, too!"*



**Manly Fleischmann—**  
*"The defense effort would collapse without them"*



**Tom Nichols—**  
*He's stockpiling industrial intelligence*

Washington. In the early days, when the hot war was hot all over, this hodgepodge of recruiting systems worked, more or less. But by last summer, with the hot war simmering down to a long, slow boil, Uncle Sam began to find it more and more difficult to attract high-caliber industry and business men into the Government even for as little as six months. An incident which occurred last January points up a reason why business and industrial leaders are reluctant to take even short-period government jobs.

Rep. Emanuel Celler (D., N. Y.), chairman of the House Monopoly Subcommittee, appeared before a session of the Commerce Department's Business Advisory Council and announced that his congressional unit would be watching all \$1-a-year men in Government, ready to pounce at the first indication that "Big Business" was taking over the mobilization program for its own sinister purpose.

The legislator's harangue fell like a wet blanket over the assembled industrial leaders, many of whom had been bombarded for weeks with pleas to come to work in Washington. As the business men began to leave the hotel conference room, Gen. Lucius Clay, on leave from Continental Can to help get the mobilization program started, was heard to murmur:

"And there goes our recruiting program!"

Since World War I Congress has scrutinized the \$1-a-year men in Government with jaundiced eyes. The attitude of the suspicious legislators was expressed in the fall of 1941, by Sen. Harry S. Truman of Missouri.

Truman, then head of the Defense Investigating Committee, proclaimed:

"Nobody can live here (in Washington) on a dollar a week. It's only human nature for a man to favor his own corporation or company that has been controlling, and will control, his fortune."

Yet such cases of favoritism proved to be rare in World War II. A study made by the postwar Civilian Production Administration concluded that the use of the \$1-a-year men during the war "was fully justified," and that the agencies concerned with industrial mobilization "were generally distinguished by the caliber of officials who served them for \$1-a-year."

Ironically, in the fall of 1949, the same Mr. Truman, now President, found himself pleading with Congress, through his Defense Secretary, for a special dispensation to permit United States Steel Vice President Carl A. Ilgenfritz to serve as chairman of the Munitions Board at \$1-a-year while continuing to collect his \$70,000-a-year industry salary. The Senate rejected the plea.

This incident served to stiffen the President's original distrust for \$1-a-year men, on the basis of human nature being what it is. But when the war in Korea broke out, and we got in, Commerce Secretary Sawyer and Interior Secretary Oscar Chapman went to Mr. Truman and put the issue to him bluntly:

"Do you want to do the job that must be done?"

The mobilization program simply could not get off to a flying start, they argued, without the help of \$1-a-year production experts. Both the President and Congress relented.

The White House and the defense agency chiefs have made sparing use of the WOC's—as the latter-day \$1-a-year men are called, because they serve "without compensation." Today fewer than 300 WOC's are serving in all the defense bureaus, all in pivotal posts requiring men of "outstanding



experience and ability." But these few are so important to the mobilization program that, in the opinion of Manly Fleischmann, youthful head of both the Defense Production Administration and the National Production Authority, "the defense effort would collapse in a month without them."

With all the fuss usually directed at the \$1-a-year men, few people realize that ten to 20 men from industry and business are serving Uncle Sam at Civil Service salaries—or on a per diem basis paid "when actually employed,"—for every WOC.

Publicity, however, generally focuses on the WOC's, because of the curious feeling that the WOC has, somehow, less of the public interest at heart than the business-man-in-government working for a Civil Service salary. This hair-splitting attitude persists, even though the congressional watchdogs know that the great majority of business experts and industrial specialists participating in the mobilization program, whether or not they are \$1-a-year men, plan to return to industry.

Whether the \$1-a-year man, or the WOC, is needed, is a perennial question. If the man with the know-how is a true patriot, goes the inevitable query, why doesn't he sever relations with his company and work for Uncle Sam at whatever salary the Government has to offer?

Actually, many industrialists have made that sacrifice. Others, however, have little or no private sources of income and are dependent on their salaries for their livelihood. These men usually have term commitments—such as life insurance premiums, mortgages on their homes, schooling for their children—which make it financially impossible for them to take any sharp cut in salary. Furthermore, the rapid growth of the industry pension system since World War II added a new, potent pressure, holding the executive to his company. Leaving to work for the Government would reduce, or even terminate, his retirement rights. Ilgenfritz frankly stated he couldn't leave U. S. Steel to take a regular government salary because of what this would do to his pension.

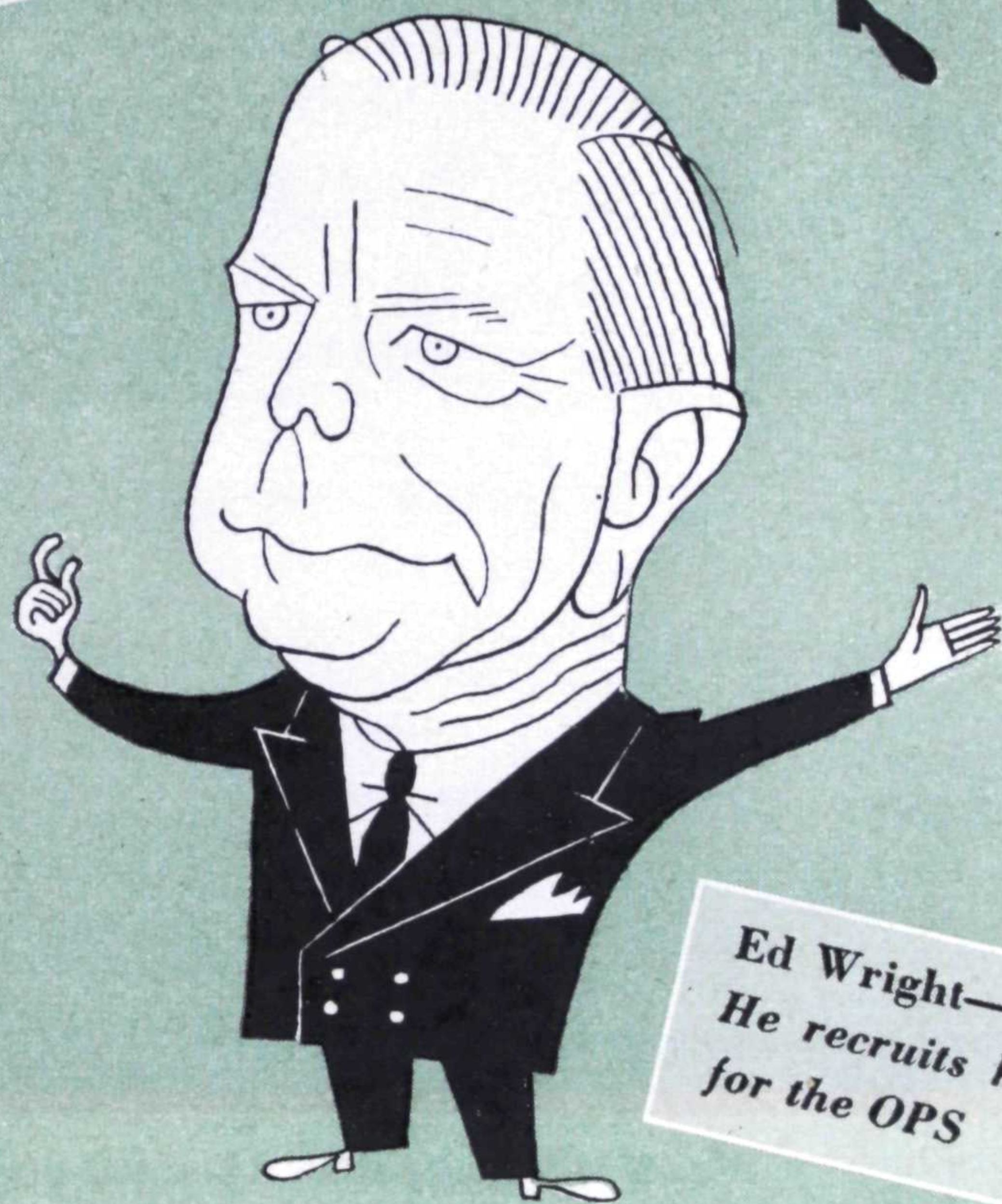
When Bruce K. Brown, \$50,000-plus-a-year president of Pan-Am Southern Corporation, was called to the Petroleum Administration for Defense, which he now heads, his company considered putting up a kitty so that Brown could quit and still retain his full pension rights. The firm found that under our income tax laws, such a fund would require a lump payment of \$4,000,000.

Brown came to Washington as a WOC.

Even as a WOC, the industrialist may still be reluctant to enter government service. Should he give up his home and rent another in Washington? Should he maintain two residences? Should he live in a Washington hotel and commute to his family home week ends? Personal questions, to be sure, but important ones involving family comfort and happiness.

Then there's the specter of frustration. Everyone's heard a dozen stories of eager-to-act business men who roared into Washington—right into the red tape of bureaucracy. (My own favorite deals with the executive who came to Washington in World War II and brought along his assistant, Charley, who always handled the boss' trouble-shooting problems. "Don't come back until you've fixed it," the executive would tell Charley. In Washington, as soon as he ran into his first brush with red tape, the executive sent Charley out with the usual ultimatum. Charley hasn't yet come back.)

There are other dis- (Continued on page 52)







# EUROPE:

**E**VERYWHERE in Europe today the \$64 question is: Why don't the Russians attack? After all, Western Europe has been virtually defenseless for the past few years, and even now can put up only slight resistance. Why hasn't the Russian steam roller started moving?

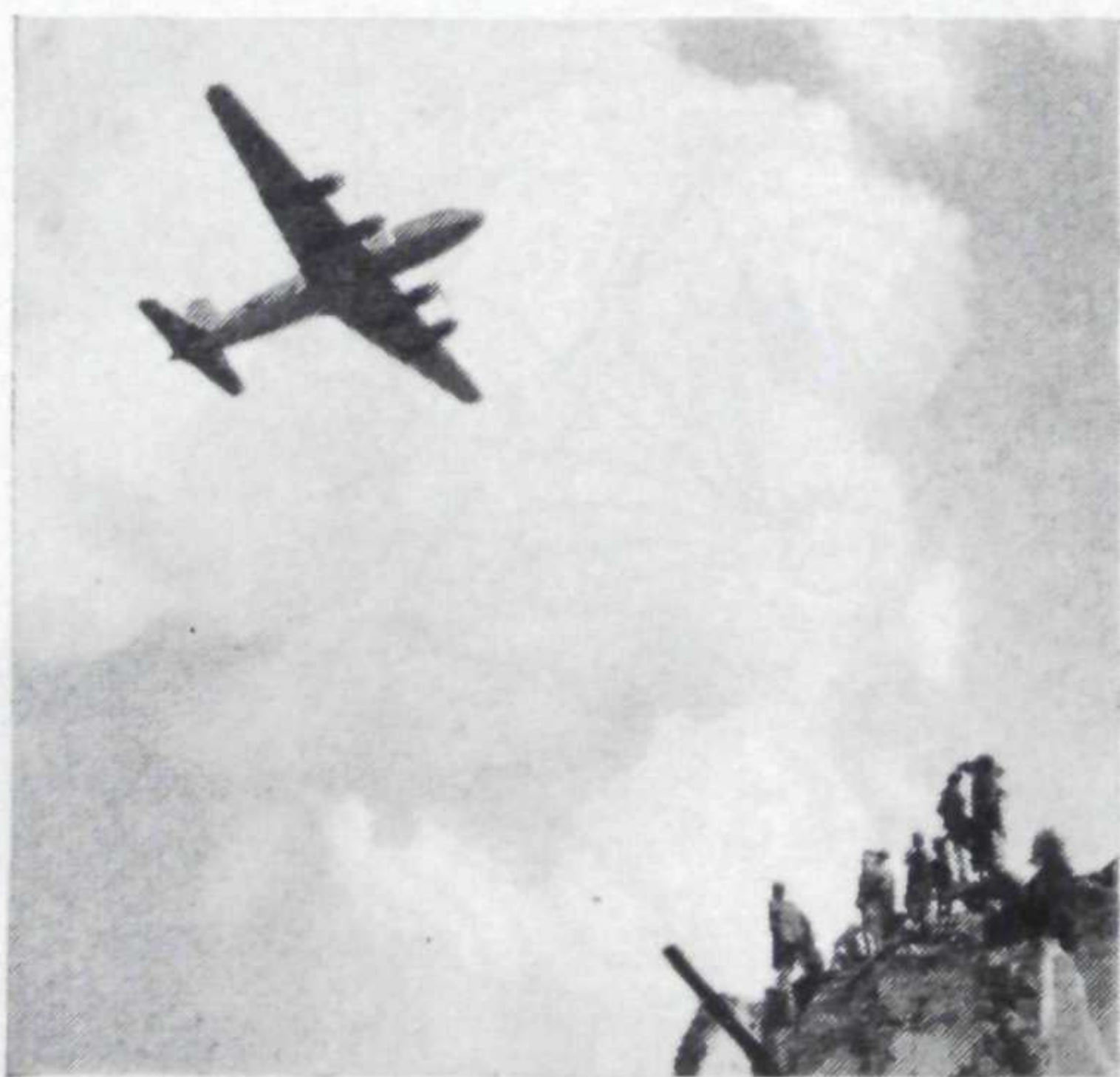
When I say that this question is being asked everywhere in Europe, I do not mean that the man in the street is asking it. The man in the street does very little talking about the possibility of war—far less than Americans. But the political and military experts in Rome, Paris, Bern, Brussels and Bonn discuss this puzzle whenever they are speaking with someone with whom they dare to be candid.

Yet they are quite calm; they do not talk as if they had war jitters. Jitteriness on the subject of a possible war in Europe is on the side of those who should not be turning a hair: the big shots behind the iron curtain in Prague, Warsaw or Budapest.

As for the Russians in Germany and Austria, the top-ranking officers in the army of occupation—it is well known that they are almost

OWEN FROM BLACK STAR

It's all spit and polish when the guard is changed in Vienna



WIDE WORLD PHOTO



INTERNATIONAL



BRISTOL FROM BLACK STAR

The Soviet war machine is not immune to the jitters. Russian officers suffered an attack of nerves after the start of the Berlin airlift. They showed the same symptoms again when the Korean war began and when General Eisenhower was appointed to head the European army



# RED BEAR TRAP

By CURT RIESS

hysterical when the question of war comes up. Their feelings border on panic.

This is not the first time that the Russians in Europe have had an attack of nerves. They behaved the same way during the first few weeks after the start of the blockade in Berlin. At that time everything seemed to indicate that the Soviet Union was about to clinch a great victory over the West. Even when the airlift started, it was considered just an attempt—and a feeble one at that—to put off the inevitable end.

Everyone thought that American and British troops would have to pull out of Berlin. And yet the jitters at Russian headquarters in Karlshorst got worse with every new arrival of an American plane—as though the planes were loaded with atom bombs instead of coal. The Russian officers did not even

try to conceal their nervousness. They telephoned the few Americans and Britons they still had contacts with and wanted to know what was coming next, whether war was going to break out—and if so, when.

I witnessed the same sort of jitters among the Russians in Vienna when the Korean war started. Ironically enough, many of the Soviet officers stationed in the Austrian capital believed the official Russian propaganda story put out by Tass—that the South Koreans had attacked the North Koreans. These Soviet officers were unable to hide their terror; they thought the grand offensive against world Communism—which Moscow has been bleating about for years—had actually started.

The third and so far the last panic among the Russians in Europe began when General Eisen-

hower was appointed head of the European army. Once again this scare demonstrated how much the Russians are victims of their own propaganda. Eisenhower was one of the few American generals on whom Moscow looked with favor both during the war and afterward. Just the same, the Soviet intelligence services in Berlin and Vienna desperately tried to find out the meaning of Eisenhower's appointment.

Did it presage an armed attack by the United States in the near future, they wanted to know. According to gossip among the minor bureaucrats, their intelligence chiefs sat up all night in their offices, smoked endless cigarettes and drank innumerable cups of tea; they were in constant telephone and telegraph communication with Moscow and were extremely irritable.

The fact that they were scared seems strange when we recall their icy or even impudent behavior in Europe during the past few years. But everyone who knows the Russians at firsthand is aware that there is no contradiction here. Children who are insecure and

**WHAT Joe Stalin has learned from Hitler's experience may well determine whether Russia will plunge the world into another major war**

OWEN FROM BLACK STAR





suffer from inferiority complexes are usually the ones who act like arrogant bullies. The Russians are like such children.

Russian behavior sometimes makes people think of the proverb that barking dogs never bite. In Europe there is an old joke about this. The proverb is quoted to reassure someone who is running away from a dog. He answers: "I know it, you know it, but does the dog know it?"

The newest variation of this proverb is: "Does Stalin know that barking dogs never bite?"

Just how much does Stalin know?

Hitler did not know how self-respecting barking dogs should behave; in fact, he knew very little about anything. The West itself was partly responsible for Hitler's ignorance. He thought he was unbeatable because the West appeased him again and again, because the West abandoned one position after another to avoid a war with him.

To Hitler that could mean only that the West thought he could not be defeated, and that therefore the world would let him do anything he pleased. The result of that miscalculation was World War II. Most everyone knows today that it might have been avoided if Hitler had been made to understand that he could go so far and no farther—that the British and French might be willing to meet him halfway but would not go on forever letting him tear up treaties and occupy foreign countries.

That is exactly what Stalin and his Politburo have been made to understand during the past two or three years. It has been din-

ned into their ears again and again. When Secretary of State Dean Acheson declared last year that the United States would have to act accordingly unless the Soviet Union learned to behave like a reasonable and civilized country, he was trying to make the attitude of the United States as clear as possible to the Soviet rulers. This endeavor to remove all possible doubts about American policy is going on today in all the areas where Soviet and Western interests meet and conflict.

In Europe many people think that in our striving for clarity we have gone too far and are showing our hand too openly. This criticism did not start with the foreign policy investigation which resulted from General MacArthur's dismissal (and which is being studied very closely by the Moscow intelligence services). It started back in 1947 when high-ranking American Army officers in Germany declared that if the Russians marched, no resistance east of the Pyrenees would be possible.

Such statements, whether true or not, did not exactly prop up European morale. The Europeans don't like the prospect of being occupied by a dictator and then liberated once more. It was in those days that the question first arose: Why don't the Russians make war now?

Those of us who had direct or indirect connections with the Russians—they were still our allies at that time—knew that the younger officers in the victorious Red army were asking the same question. They had been asking it since the end of the war. Many of

them had not wanted to end the war.

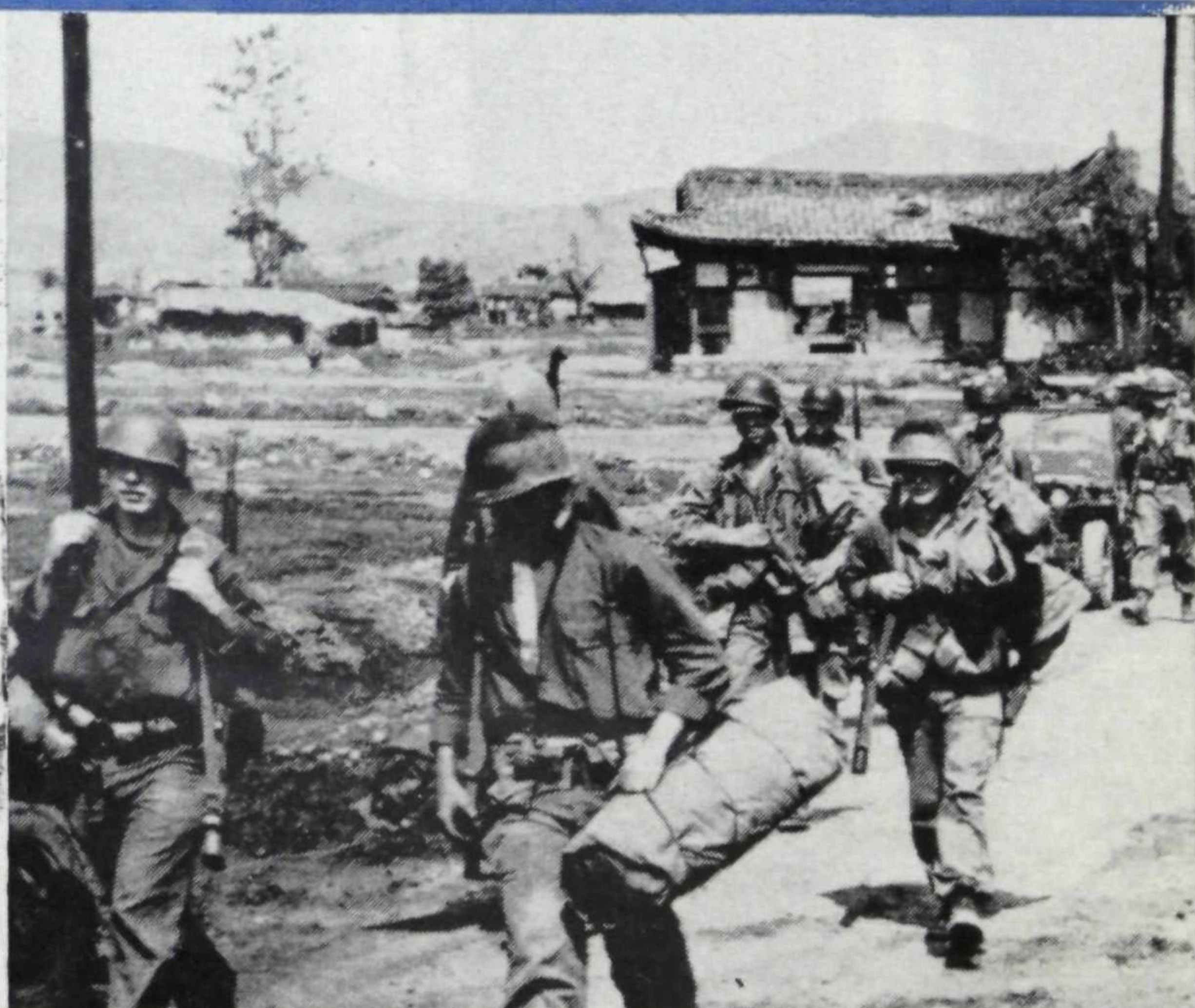
After the long, bloody and for a time indecisive battles around Stalingrad, these Russians had waked up one morning to find themselves hundreds of miles to the west, in Berlin; and they could not get over their amazement at how easy it had all been. They imagined that it would always be the same from now on, that it would always be just as easy, and they favored advancing still farther westward. From 1945 to 1947 the younger Russian officers said so in so many words. Now they no longer talk that way.

Since then the Russians have had at least two golden opportunities to start the war against the West. The Berlin blockade was the first and the break with Tito the second.

No one who was not in Berlin during the blockade can appreciate how close we were to war at that time. For ten months hundreds of American and British planes a day flew past under—or rather over—the noses of the Russians. What would have been more natural than for one of these planes to have been fired on? And how much restraint it took on the part of the Russians that there were no such incidents! How determined they must have been to allow no incidents because even one would probably have brought on a war.

And how determined they were—and are—not to attack Tito when they have him completely encircled, in a militarily indefensible position. If the Russians attacked Tito they could be certain of victory—but almost equally cer-

*(Continued on page 66)*



Munich proved to be a green light to Hitler. Korea, because of Allied intervention, the opposite to Stalin



# How Safe Are Your Records?

By ALAN HYND

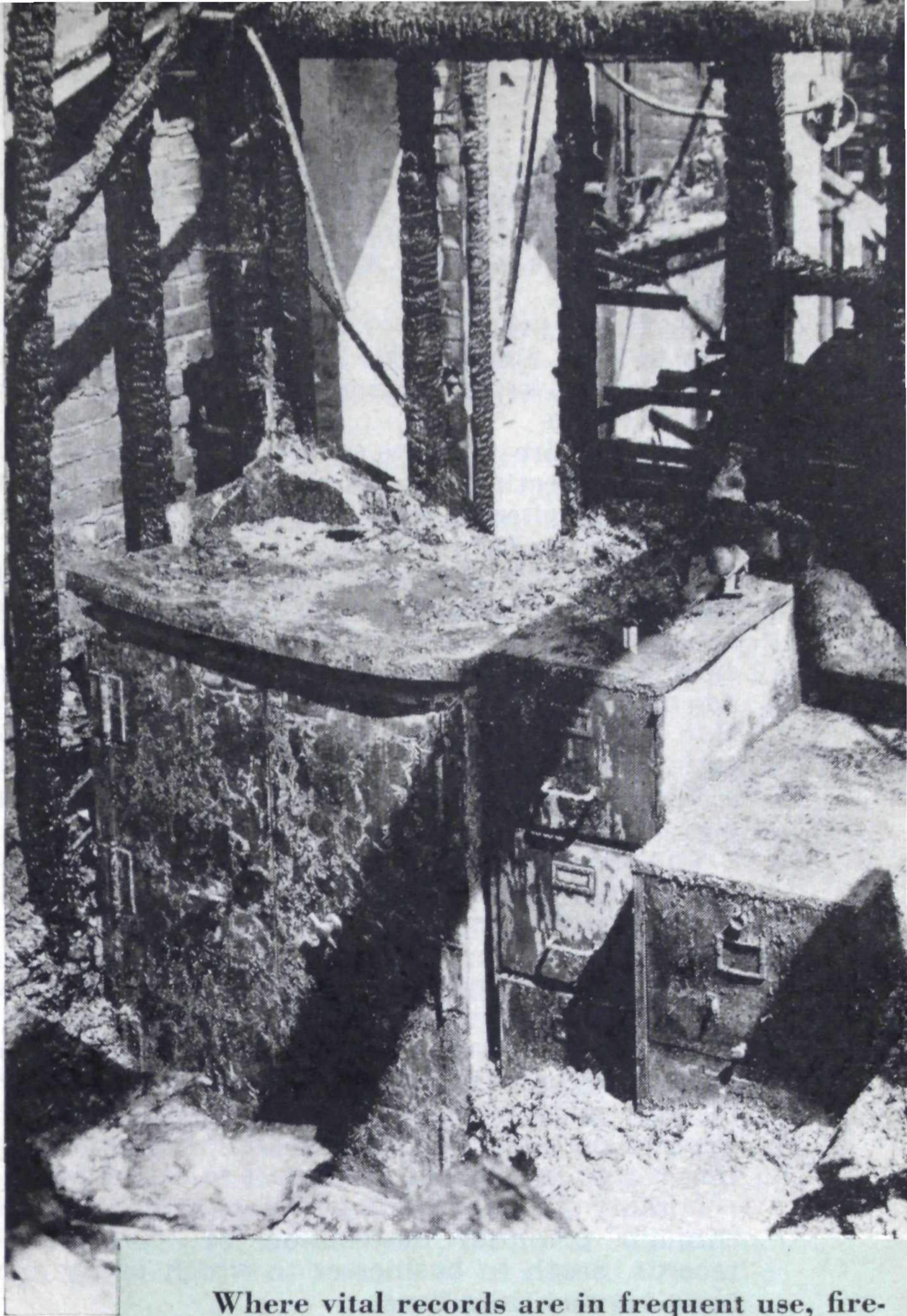
**FEW businesses can resume operation after their records have been lost. And safes built to resist burglars offer little protection against fire**

**A** FEW years ago a salesman for a large safe company sold two fire-resistive strongboxes to the proprietors of two stores located in the same business block in the downtown district of a medium-sized Middle West community. Each safe was identical in size but not in price. One of the business men chose a safe built to resist a fire for two hours while the other settled for a one-hour job. The difference in price was almost \$200.

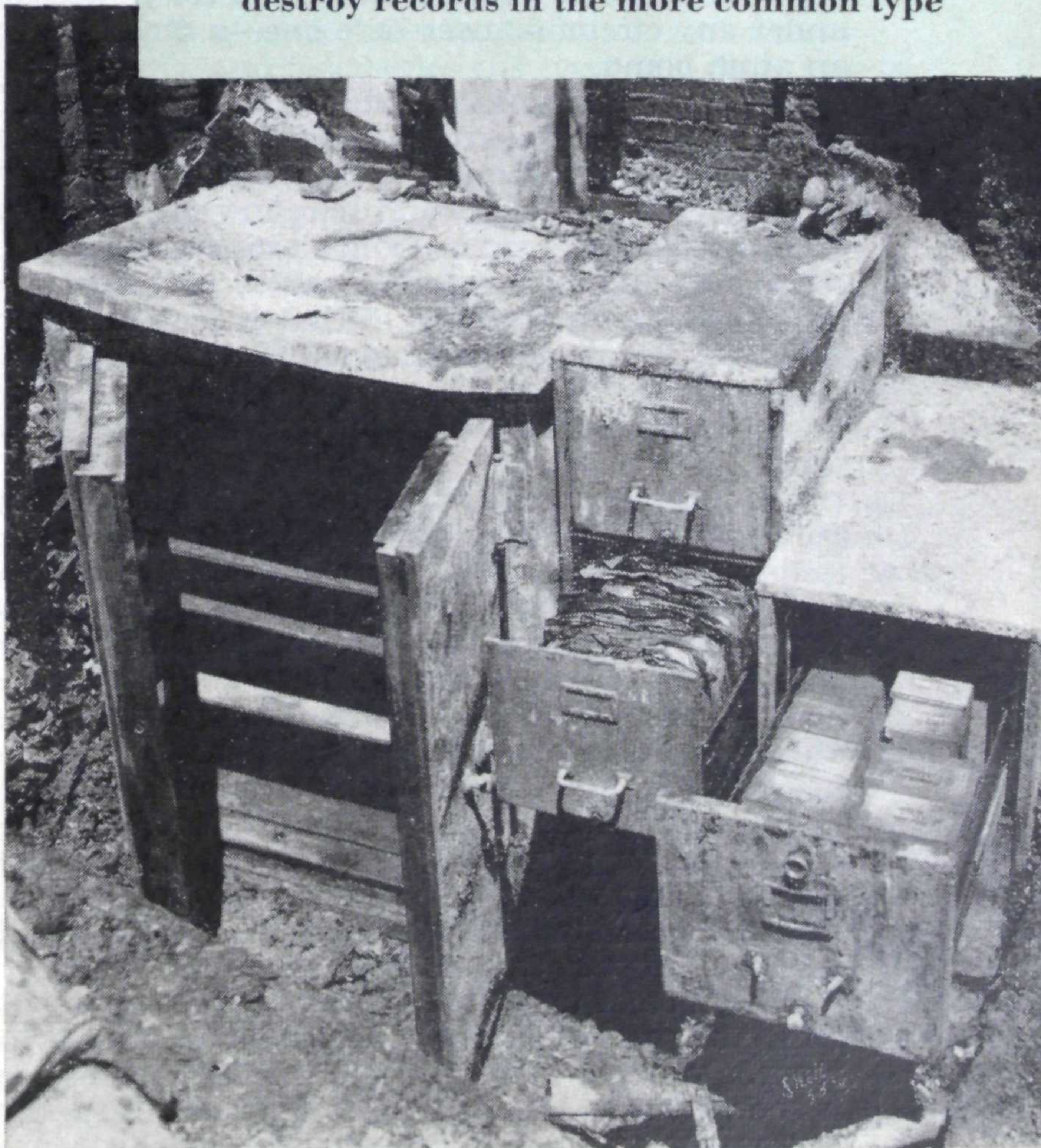
Five weeks after the safes were installed, fire swept the block. The records of the man with the one-hour safe were ruined; those of the man with the two-hour safe were intact. The man with the two-hour safe is in business today. The other man isn't. He never recovered from the fire.

The man with the cheaper safe carried fire insurance, but he couldn't collect in full because his inventory records, required as proof of loss, had been reduced to ashes. His accounts receivable, which met the same fate, left him in the predicament of not knowing who owed him, or how much. He had to depend on the accuracy and honesty of his suppliers to know where he stood with his accounts payable.

His tax records, gone too, plunged him into a fix wherein he was unable to prepare his current returns; moreover, ever since, he has not been able



Where vital records are in frequent use, fire-resistive file cabinets may offer sufficient protection to preserve them in a blaze which would destroy records in the more common type





to satisfy Treasury agents going over the returns he filed for years prior to the fire. That \$200 savings he effected when he chose a one-hour instead of a two-hour safe was the most costly transaction of his life.

Mr. R., the proprietor of a business which required him to have about \$1,000 in cash on the premises at all times, kept the money overnight in a fire-resistive safe.

While all fire-resistive equipment affords a measure of protection against burglars who use tools, it is not designed to withstand attack by explosives or cutting torches.

A safe salesman suggested to Mr. R. that he install a small burglarproof safe inside of his fire-resistive safe, at a cost of about \$150, in which to keep his cash. Mr. R. decided against it. One night 14 months ago burglars cut their way into Mr. R.'s fire-resistive safe and made off with \$965. Mr. R., who did not carry insurance to cover the loss was red-inked for a sum that would have bought him safe protection several times over.

The protection of records and cash, which always has been of paramount importance to the business and professional man, is of more vital import today than it has ever been. Despite constantly improving fire-fighting equipment in communities of all sizes, fire losses continue to mount; in spite of around-the-clock vigilance by police departments, crime is on the upswing, with the criminal army outnumbering the police by about four to one. And, superimposed on mounting fire loss and burglary statistics, is that greatest of all threats to property—the possibility of an atom bomb attack—which implies, through potential destruction of irreplaceable records, death to businesses to which many men have devoted their lives.

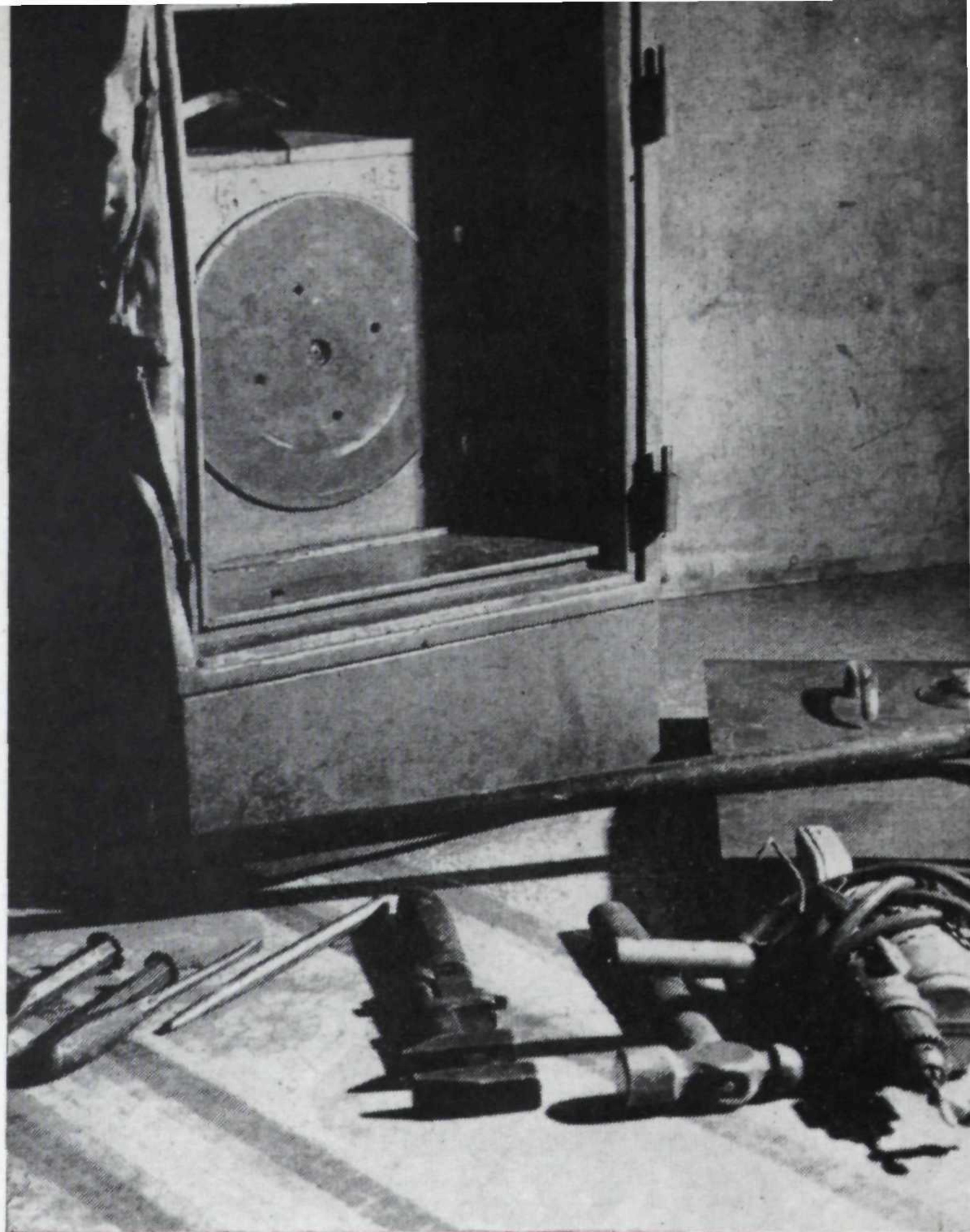
For 4,000 years, man has been protecting his valuables in strongboxes.

Today the safe and vault manufacturers can supply him with every conceivable need for protection under any circumstances save one—a direct hit by an atom bomb.

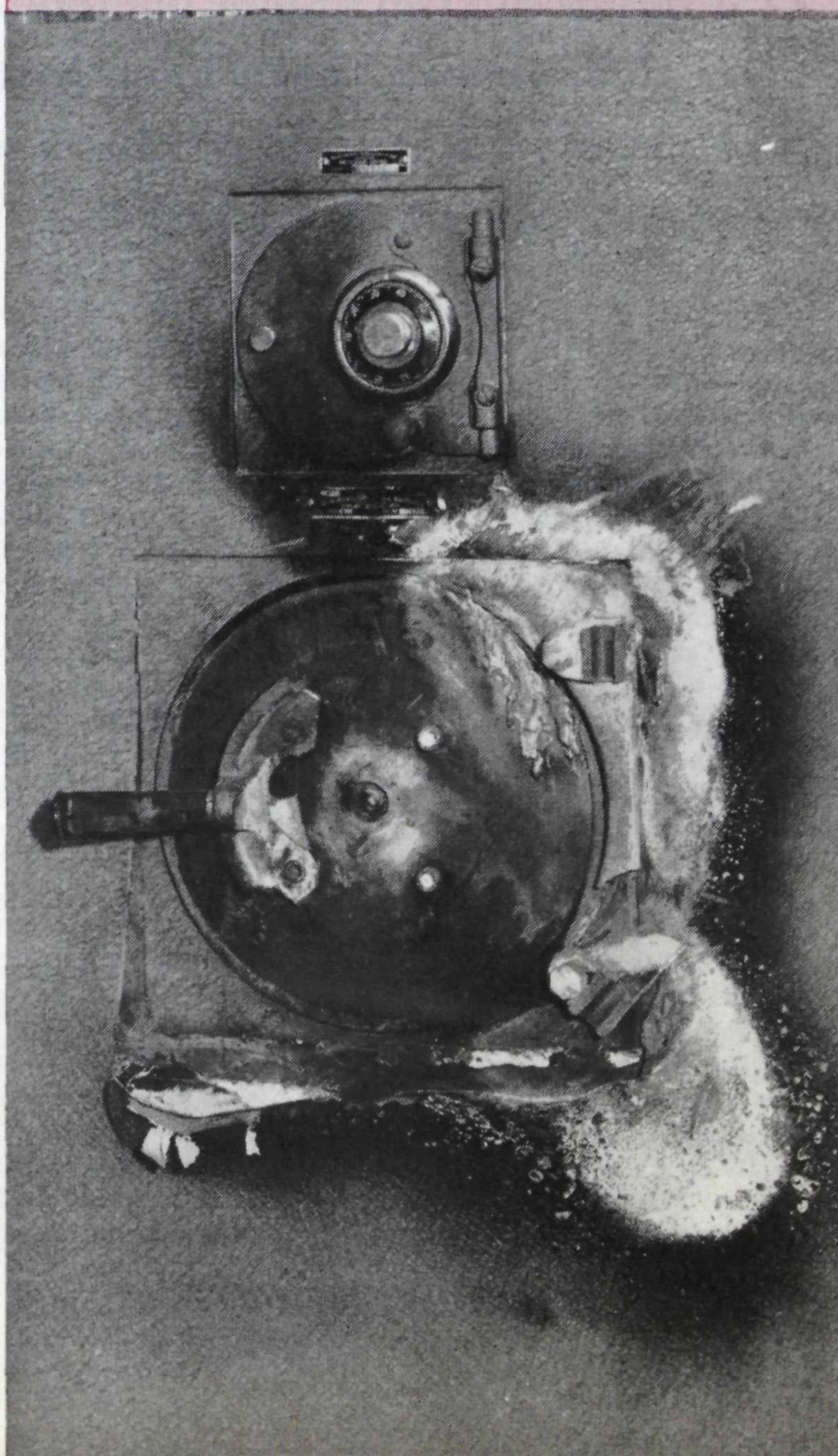
Since the mathematical odds against a particular vault's being hit directly by a bomb are astronomical, the safe manufacturers are in a position to offer custom-built fire, theft and burglary protection to every kind of enterprise, from a crossroads country store, through underground vaults in banks and industrial plants to the gold that is stored in Fort Knox, Ky. It all boils down to the individual or business, whether big, medium-sized or small, correctly determining specific needs, then providing for them.

The fact that many business and professional men do not avail themselves of the proper protection for their valuables, especially vital records, is borne out statistically. Four out of every ten firms that lose their records by fire—which is a greater threat to a business than burglary and theft combined—are ruined. Of the remaining six, three, although sustaining losses, consider themselves lucky if they are able to maintain their credit rating; two find themselves in such condition that they can no longer provide financial statements; one is placed in a questionable condition because, in addition to merchandise losses, it also suffers credit losses of between 30 and 66-2/3 per cent.

The value of insurance is decreased, often to the vanishing point, when a policyholder can't provide records proving loss. Insuring records themselves is such a varied and complicated procedure, and in any case so costly, that the policyholder who insures



**Safes are graded according to the protection that they offer their contents. Types are made for adequate protection to valuables under various hazards to which they may be exposed**





his records runs into the law of diminishing returns. An investment in a fireproof safe is much cheaper.

The loss of cash can be just as ruinous to a business as the loss of records. In the United States today there is an army of armed burglars, robbers and thieves who are waging a ceaseless campaign against the uncounted billions of dollars in cash and negotiable securities in the strongboxes of the nation's 1,500,000 retail distributing outlets; its 500,000 amusement, service and hotel establishments; its more than 150,000 wholesale and financial establishments; its manufacturing plants, telephone, telegraph and post offices, and its railroad and bus stations.

Insurance rates on cash thefts run high, which makes a burglary- or theft-resistive safe a sound investment for two reasons. First, depending on the type of safe it is, it will offer resistance to the most violent means of forcible entry; second, again depending on its type, it will bring a reduction in cash-and-security insurance rates. A burglary- or theft-resistive safe will, depending on other conditions, such as its location, and the type of the police force in the community, pay for itself over a period of years by virtue of decreased insurance rates.



The same principle applies to fire-resistive containers in relation to their location and the efficiency of the community fire system.

When a business man maps out a campaign of protection for his records, cash and other valuables, several broad considerations focus the picture. What must be protected against fire? What must be protected against theft? What must be protected against burglary? What records, such as those relating to the every-day conduct of the business, must be kept on the premises? What records, such as deeds, contracts, mortgages and life insurance policies, can be kept in a safety-deposit box in a bank? What records, valuable but not irreplaceable, such as canceled checks, should be micro-filmed or photostated and kept in a bank vault or at some other safe decentralized point?

No matter how well planned a program of protection is, the fact remains that tens of thousands of businesses and professions, large and small, must keep a large percentage of irreplaceable records on the premises for efficient operation. How can a physician or dentist function without ready access to the case histories of his patients? How can a business carry on smoothly without canceled checks, social security records, wage-and-hour records, accounts payable and receivable, and individually required records within arm's reach. It all adds up to the fact that the first consideration is the protection from fire of records kept on the premises.

There are three factors that determine the kind of fire-resistive equipment to buy: 1, the value of your records; 2, your fire hazard, and 3, the frequency that you must use your protected records in the daily operation of your business. You yourself

are best able to determine the value of your records. You know that they have a contingent value and a legal value, and that they have a bearing on your relations with your customers and with Uncle Sam. You know, for example, that many records relating to your business must, by federal law, be kept for periods ranging from one to ten years, and that some records, such as corporation minute books, must be kept permanently.

You know that all records can be broken down into four classifications: vital, important, useful and nonessential. As to your fire hazard, that is made up of such component parts as the type of business and building you are in, your neighborhood, and the efficiency of the fire-fighting system in your community. Other things being equal, the immediate surroundings of the safe that is to resist fire will have much to do with what kind of safe you select.

Where vital records are in frequent demand, point-of-use protection often is most desirable because of accessibility. In such instances consideration also should be given to fire-resistive files.

Fire-resistive safes come in one-hour, two-hour and four-hour models, regardless of whether they are small, medium-sized or large. A one-hour job, in the medium-sized class—interior measurements of 48 inches high, 20 inches wide and 20 inches deep—costs about \$350, a two-hour model about \$525 and one that offers four hours of resistance approximately \$640. The same ratio of prices applies to the one-hour, two-hour and four-hour models in other sizes. Fire-resistive files are available in one-hour models in varying sizes.

You may be located in a nonfireproof building and a competitor of yours may be located in a fireproof building. You may think that you should have a safe with a longer time rating than your competitor. Not necessarily so. Nonfireproof buildings usually provide fires of longer duration, but fires in fireproof buildings usually provide greater heat intensity because a fireproof building is like a stove; it retains and intensifies the heat of a fire. And it is the intensity of the heat, not the duration of the fire, that determines whether the paper contents of a safe will emerge crisp and white or crisp and black.

Paper is safe in temperatures up to 350 degrees Fahrenheit, but the heat that develops in a fire is often greater than 350 degrees. The insulation in fire-resistive strongboxes on the market today contains a scientific proportion of moisture that is turned into steam by the heat of a fire; this steam in turn arrests the rise of the temperature within the safe.

Fire-resistive safes and files are tested and graded by the Safe Manufacturers National Association, which embraces in its membership the nine largest American safe manufacturers and the Underwriters Laboratories, a nonprofit organization sponsored by the National Board of Fire Underwriters.

A guinea pig strongbox, filled with papers, is placed in a testing furnace. The furnace heat is set scientifically at 1,700 degrees for a one-hour safe and graduated to 2,000 degrees for a four-hour job. A temperature-measuring device called a thermocouple is placed inside the safe. If the thermocouple shows that the heat of the interior of the safe has not risen above 350 degrees, and if the papers inside the test specimen can withstand ordinary handling without breaking and are decipherable by ordinary means, the safe has successfully passed the test.

All safes bear classifi- (Continued on page 65)



# Safe at Home

By OSCAR SCHISGALL



**W**ITH the morning practice session almost finished, I went up into the empty bleachers to sit beside the boss. I took off my cap, wiped a sleeve across my forehead. Because I'd been giving Dutch Heiler, our center fielder, a few pointers on his hook slide, my uniform was messy. In the minor leagues, down at the Class C level, the manager—meaning me—can't afford to supervise from a distance. He's got to be coach, trainer, scout, bat-boy, and just about everything else.

"Well?" I asked. "How do they look to you?"

Andrew Barron didn't answer. He bent forward, hands clasped between bony knees, and with squinted eyes watched the Ramblers. Harris was hitting flies to the outfield; Boles was rapping hard grounders at the infield; the pitchers were working near the bull pen. And as usual on a hot morning in August, about 200 kids sat in the bleachers, waiting for their "clinic" to start. It always made me feel good to have those youngsters around; I'm for anybody who loves baseball in the wholehearted way they do.

Barron's silence made me glance at him, and I

saw that something was wrong. A rawboned man in his late 40's, with a deeply lined, craggy face, he wasn't really looking at his team. His troubled eyes were fixed on the scoreboard over the center field fence. The detached attitude gave me an uneasy feeling.

The truth was I hadn't felt right since Andrew Barron had taken over the team in the spring—maybe because I knew he didn't see baseball the way his brother, Walter, had seen it. With Walter Barron baseball had been a passion. There were some who used to say, with a chuckle, that he had never married because he'd never found a woman who could excite him the way a ball game did.

He had owned the Riverwood Ramblers for five years, and they had been his greatest joy. I don't think he'd missed even one of their games, at home or away. He'd poured out his money without complaint, and every March he'd taken a couple of weeks off from the Barron Shoe Company to join us at training quarters.

But Walter Barron had died this past March—of a heart attack—and his brother, Andrew, had inherited the team as he'd inherited everything else. If Andrew had any genuine love for baseball, or any real understanding of it, I hadn't yet seen a sign of the feeling.

He came out of his thoughts, rubbed a long hand over his mouth. "Tom," he said in that rumbling voice of his, "you'd better know it now. I'm selling the Ramblers."

He might as well have hit me with a bat. I turned to blink at him.

"Phil Anderson has made me a good offer," he said. "He'll be at the house Wednesday afternoon at four to close the deal. Wish you'd be there, too. Anderson will probably have a lot of questions you can answer."

I tried to speak and couldn't; the words stuck in my throat like a fish bone. It was as if everything I believed in was being pulled from under me—and yet, deep down inside, I'd feared for months that something like this might happen. This Anderson who wanted to buy the team—I knew him by reputation. Promoted boxing and wrestling at the Acme Arena in Boston. He'd been around several times lately, scouting the team. But he wasn't at heart a baseball man.

Barron said, "Anderson's talked to the other owners in the league. They're willing to let him move the franchise to a bigger town where, maybe, it can pay off. Providence, I think. Or Maybe Portland."

I grabbed Barron's arm. Selling the Ramblers was





"I don't want to hang on to that kind of hobby. I like baseball—but not \$50,000 worth," Barron said



one thing, and bad enough; but moving them out of Riverwood . . . to me it was like taking the Liberty Bell out of Philadelphia, like taking the White House out of Washington, like—like taking the Yankees out of New York.

I cried, "You can't leave Riverwood without a team!"

"Why not? The town's never been able to support one anyhow." And then Andrew Barron added, "Some years the Ramblers cost my brother as much as \$50,000. . . . Well, Walter had no family, no other interests, and I guess he didn't mind pouring his money into baseball. He supported the team for the fun of it, the way another man pays for a yacht or a string of race horses. But me—" He shook his head. "I don't want to hang on to that kind of hobby. I like baseball—but not \$50,000 worth."

What could I say? Baseball costs money, sure—no sense disputing that. Me, I got \$6,000 a year for my six months' work as manager, and the other six months I sold insurance. But my salary was the least of it.

**A**PART from trainers, coaches and business staff, the Ramblers carried a roster of 25 players, most of them just out of school or fresh off the sand lots—though we had a few veterans who'd dribbled down out of the major leagues, like myself. The players earned between \$150 and \$300 a month. So our monthly total payroll ran to about \$7,000. The weeks of spring training in Georgia generally cost plenty, too. And, of course, there was the usual expense for uniforms, for bus transportation to the other seven cities in our league, for hotel rooms and for meals while we were on the road, for equipment, and all the rest.

Add to these the rental of the city-owned ball park with its night-game lights, its groundkeepers and attendants, and you had a fat bill to pay. Since we couldn't charge more than 90 cents for general admission in our league—with a \$1.25 top for box seats—it took a lot of customers to meet the expense; more customers than Riverwood had provided.

Now and then, of course, we had sold a good player to the major leagues, and that had brought in a fair sum of cash which we'd split with the lucky boy. But in the past two seasons we'd had no such breaks.

"Still," I said, "we don't *have* to lose money. If we ever get a winning team, one that makes a real bid for the league championship, the crowds will come! All we need to break even is an average attendance of 1,500 per game."

Barron said, "You've never yet hit it."

There was a shout from the kids in the bleachers. Practice was over, and the morning "clinic" was about to begin. The 200 youngsters jumped out of the stands, ran across the field. It was like a mob scene in a movie. Seeing them, I had a pang. What would *they* do without their team? Without their "clinics"?

The clinics were something I'd started for the kids a couple of years ago. All through summer vacation we ran a baseball school two mornings a week. The boys thronged into the park and got lessons from the pros.

They loved it. They had their own league, too, and played sand-lot ball for a cup we offered. It was good for them, occupied their time and minds. Judge Boise had once told me the clinics had cut juvenile cases in his court by 60 per cent.

I turned back to Barron, and I was ready to fight

for the team. "Ever stop to think what baseball *means* to Riverwood?"

"Sure," Barron smiled. "On game days it brings folks into town—so the restaurants and some of the shops do more business, I know."

"I don't mean it that way! What about the town's pride, its community spirit? It's a lot to a town when it can go out and yell for its home team! Brings people closer together—"

"But why at my expense? Don't I do enough for Riverwood by keeping 1,200 of its men employed at the factory?"

I pointed at the bleachers. "Those kids—the clinics we run—"

But Andrew Barron got up, lean and rangy and put a hand on my shoulder. "Save it, Tommy," he said. "I'm not a welfare institution. As an individual I give as much as they ask for child help, community chests and the rest. But I'm not shelling out \$50,000 a year for *baseball*. It's plain waste. . . . See you at the house Wednesday."

And then he left.

I looked out at the kids—dozens of them around each pro—and my heart dropped into a pit.

In the locker room after practice the players took the news in silence. I knew it would shake the morale of the team to realize they were being sold, and I was right. They lost that day's game by a score of 12 to 1. . . .

When I got home I felt as miserable as if I'd been fired. As for my wife, the fact that we'd have to move out of Riverwood if I went with the team brought her nothing but dismay. We liked the town. We'd made friends here.

"Tom," she said after we'd talked it over for hours, "of all the jobs in the world you had to go and pick the worst, the most trying and unpredictable. A baseball manager—"

"If I ever get a winning team," I said, "or manage in the big leagues, you won't talk that way."

"If."

"There's always a chance."

**B**UT I didn't want to move out of Riverwood any more than she did. And I didn't want to see Andrew Barron sell the team. Moreover, I felt it was *my* job to stop him—not only for myself, but for the sake of the team's spirit, for the sake of the town, for the sake of the hundreds of kids who were our most faithful fans, for every reason in the world. Maybe I exaggerated things to myself, but it seemed to me that Riverwood without its team would in a way be a kind of ghost town—and it was up to me to prevent that.

But how?

I telephoned Mayor Curran. When I told him what was happening he actually yelled.

It would be a slap at his civic pride, I guessed, to see the league franchise taken away from Riverwood.

"We *can't* let Barron do it!" he said.

"Why don't you go talk to him, Mayor?" I suggested. "Maybe if *you* told him how much the team means to the town—"

"Damn it, I'll see him tonight!"

But when I telephoned him again just before midnight, Mayor Curran sounded beaten. "No luck, Tom," he said. "I talked my fool head off—but Barron just couldn't see sinking fifty grand a year into ball games. I pointed out to him how much your clinics mean to the kids of this community. You know what he did? Offered me the sales price of the Ramblers to start (Continued on page 60)



# The Challenge to Leadership

**C**ONVENTIONS and conferences are big business and regular business in New York City. Few, if any, however, carry their significance back to the American community so quickly as the annual conference of American Chamber of Commerce Executives.

To this year's conference—the thirty-seventh—which convenes Sept. 23-26, more than 500 chambers of commerce will send their executive managers for four full-packed days of general and special sessions in community problems. From these gatherings comes a professional competence for the individual chamber manager matched only in such fields as science, medicine, engineering and the law.

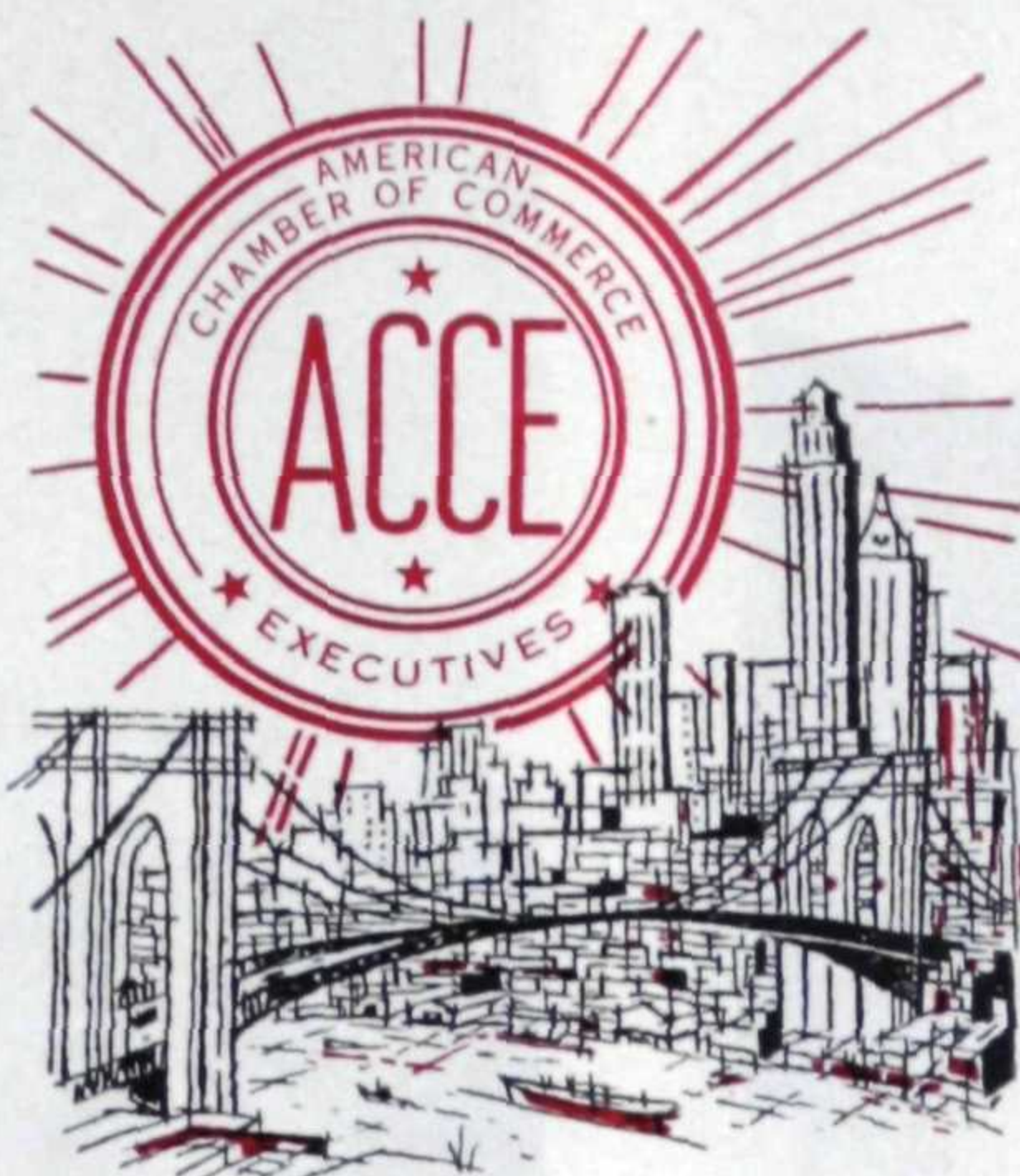
The modern chamber is a smoothly functioning, thoroughly integrated, productive plant. More than 1,500,000 individual business and professional men and corporations support and take part in chamber activities.

As in all organized activity, the general membership of a chamber leaves much of its operations and accomplishments to qualified executives and to a corps of committees and a board of directors who show personal interest in participation. It is the job and the challenge for the manager to make the most of this personal participation for the benefit of his city.

Perhaps only the directing officials of America's top corporations cover a wider field of business activity than do the managers of our chambers of commerce. Labor relations, national legislation, defense contracts, civilian defense, plant location, trading area development, education, public health, highway and airway problems are almost daily affairs for the modern chamber manager. In these branches of his work, his professional training and knowledge of what other communities are doing are important. They spark the success of his own efforts.

Recently, Arch N. Booth, executive vice president of the Chamber of Commerce of the United States, highlighted the role of the local chamber executive when he told a group of them:

"You staff leaders in organization work are vital cogs in the



American economy. Nothing ever happens in the world until someone makes it happen. You are the individuals who make things happen.

"Aiding you at every turn in all this you have a very practical co-worker—ACCE, your national professional association. It is your pace setter. It helps you establish the standards for your work. It keeps those standards steadily rising and it helps you maintain those standards in everything you do."

Although it has a splendid record of accomplishment and community service, ACCE hasn't always been the organization it is at present. Its infant steps were taken as the American Association of Commercial Executives, the life span of which reached from 1906 to 1914. In this latter year AACE journeyed to Cincinnati to discuss mutual problems with the delegates of a similar group, the Central Association of Commercial Secretaries, which was then five years old. The outcome of this joint session was the formation of the National Association of Commercial Organization Secretaries, which changed its name to American Chamber of Commerce Executives in 1948.

So it will be the ACCE that meets in New York this fall. And when it does there will be delegates present who may have the uneasy feeling that they are reenacting a scene from the past. If they do, they will have good reason because once before the organization gathered in New York for its annual conference. The time was 18 years ago

**THE** thirty-seventh annual conference of American Chamber of Commerce Executives will be held next month in New York. Facing serious problems in this year of almost-war, delegates from more than 500 chambers will benefit from the friendly interchange of ideas

and then, as now, the nation was facing a stiff test of its ability to meet adversity. In 1933 it was the depression that keynoted the proceedings. Today it will be the problems born of the threat of ever-growing inflation and of a third world war.

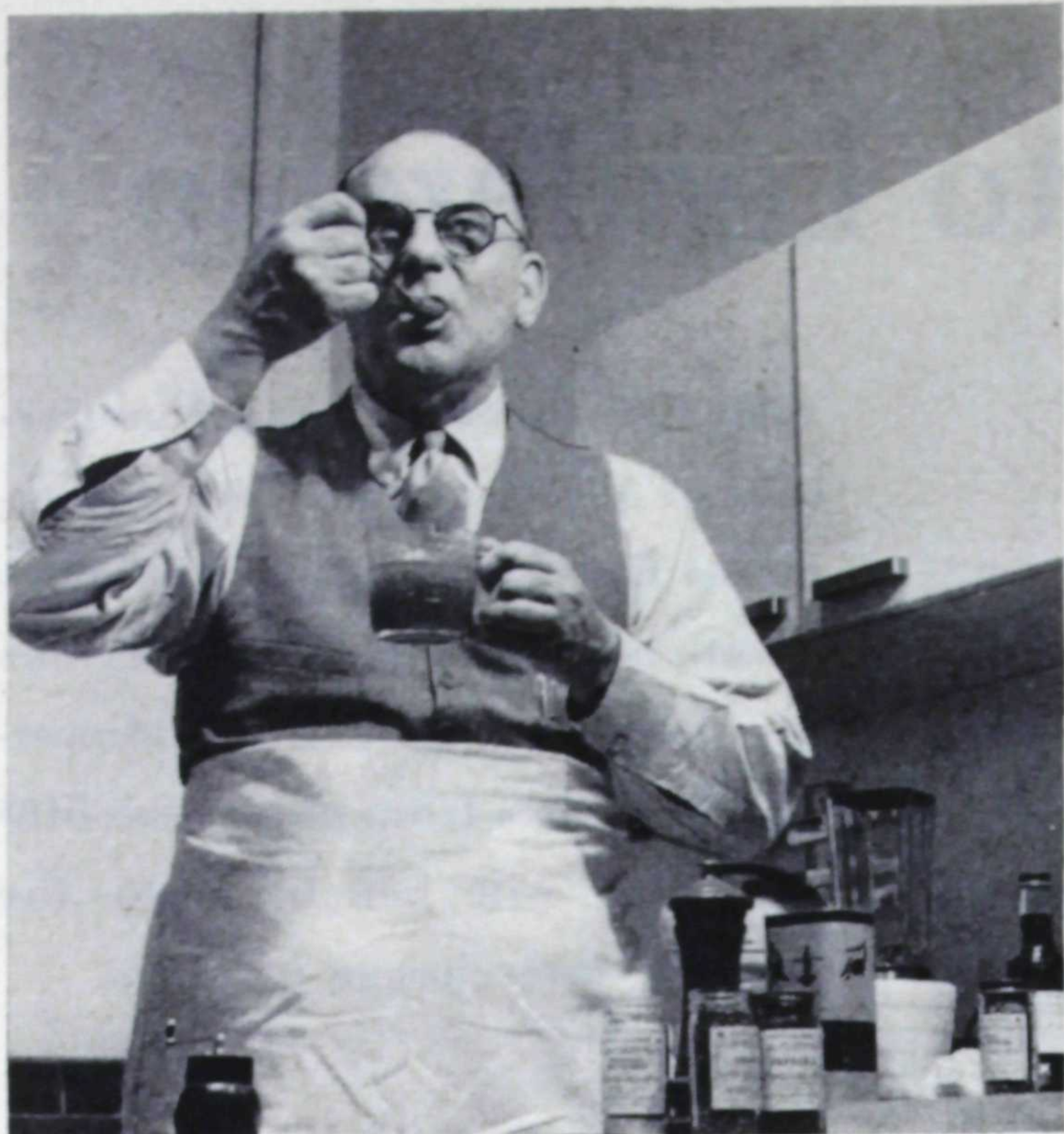
And, as if to stir the memory further, this year's program committee, headed by F. R. Henrekin of Kankakee, Ill., ACCE vice president, has adopted—with one change—the theme of that earlier gathering. It's now "The New Challenge to Organization Leadership."

Experience has shown that one of the ways in which chamber executives—and their communities—can benefit most from this association is through the friendly interchange of ideas and through study and discussion.

The New York conference will provide an excellent opportunity to do just that. For, as William H. Press of Washington, D. C., ACCE president, points out, "Delegates will receive up-to-the-minute information about some of their most pressing problems. Professional leaders in the chamber of commerce field will discuss the new challenges to chamber leadership and will share their knowledge with their associates. This is the one time of the year when chamber executives from all over the country and Canada get together for an exchange of ideas and a review of techniques."

To the individual chamber executive it is more than an exchange. For one idea he brings in, there are a score to take home.





PHOTOS BY TOM KING FROM BLACK STAR



His condiments must meet Johnson's exacting taste

# MR. JOHNSON'S SPICY

By NELSON VALJEAN

**H**EARTY, six-foot Frederic H. Johnson, wearing one of his wife's aprons, was mixing a salad in the kitchen of his 21-room home at Los Gatos, Calif. For a retired broker, he was doing all right. Into his bowl of crisp green lettuce went another dribble of oil, two more dashes of vinegar, and a sift of freshly ground pepper, all in exact amounts.

"Mm-m, that's it," he sighed at last, munching a leafy morsel as his wife drew up. "What dividends!"

"But, Fred, oh, Fred!" Mrs. Johnson cried. "How can you stand there so—so ghastly calm, at a time like this? On the very day the bank sent such awful news!"

"Delicious," Johnson went on, rhapsodically. "My best salad yet."

"But, darling, our savings!"

At that Johnson turned from his salad and took his wife in his arms. "Sure, honey," he whispered, "sure, savings are gone. We're flatter'n linoleum. Couldn't get weighed on a penny scale. But, Pauline, you're not worried, are you?"

"Only worried half crazy," said Mrs. Johnson. Then, biting her lip, she managed a smile. "No, I guess I'm not really worried. It's just that I hate to think of your going back to the investment grind."

"Hold on!" Johnson parried. "Maybe I'm not. Think I'll take a flyer at a new business—vinegar. And later maybe add herbs and spices. Ah, what they do to food! Just give me three months."

His wife couldn't believe him.

That was ten years ago. Today Mrs. Johnson laughs over her first momentary alarm at the decision of her husband at 48 to enter a highly competi-

**AFTER retiring a man can pick what should have been his life work. Here's one who put pepper into his new job**

tive field in which he had no experience. How could they support and educate three growing children? Mrs. Johnson frankly didn't know, but now she admits that she should have had immediate confidence because of her husband's energy and imagination, his constant seeking for perfection, his sound business judgment, and his delight in tasty foods—a combination of qualities that, within the decade, has piloted Johnson's Spice Islands Company into world-wide operations grossing nearly \$1,000,000 a year.

Thanks to his 88 acres of herb farms, prudently planted long ago, not even full-scale war and an end of imports will upset this seasoning cart for America.

Johnson's business comes from gourmets of France, members of European royalty, and uncounted thousands of American housewives. But what pleases him most are orders from GIs who want to make slabs of canned meat taste like T-bone steaks. Johnson won't guarantee any such result, but those orders get priority. Kings can wait.

Actually, Johnson first got his vinegar-herbs-spice idea weeks before mentioning it to his wife. As he sat drowsing one evening, with a cook book in his lap, the words "Spice Islands" popped into his





and they are packaged for ease in selling

# COMEBACK

mind and prodded him awake. To him, instantly, "Spice Islands" smacked of far-off places, adventure, romance, good eating, and—this later was to become important—*treasure*.

Inasmuch as he always had liked to putter in the kitchen and had made loads of vinegar for his family and neighbors, he thought some day his hobby might pay off. So it was that he felt "now's the time" when his bank advised him that, due to reverses in real estate, he couldn't stay retired forever.

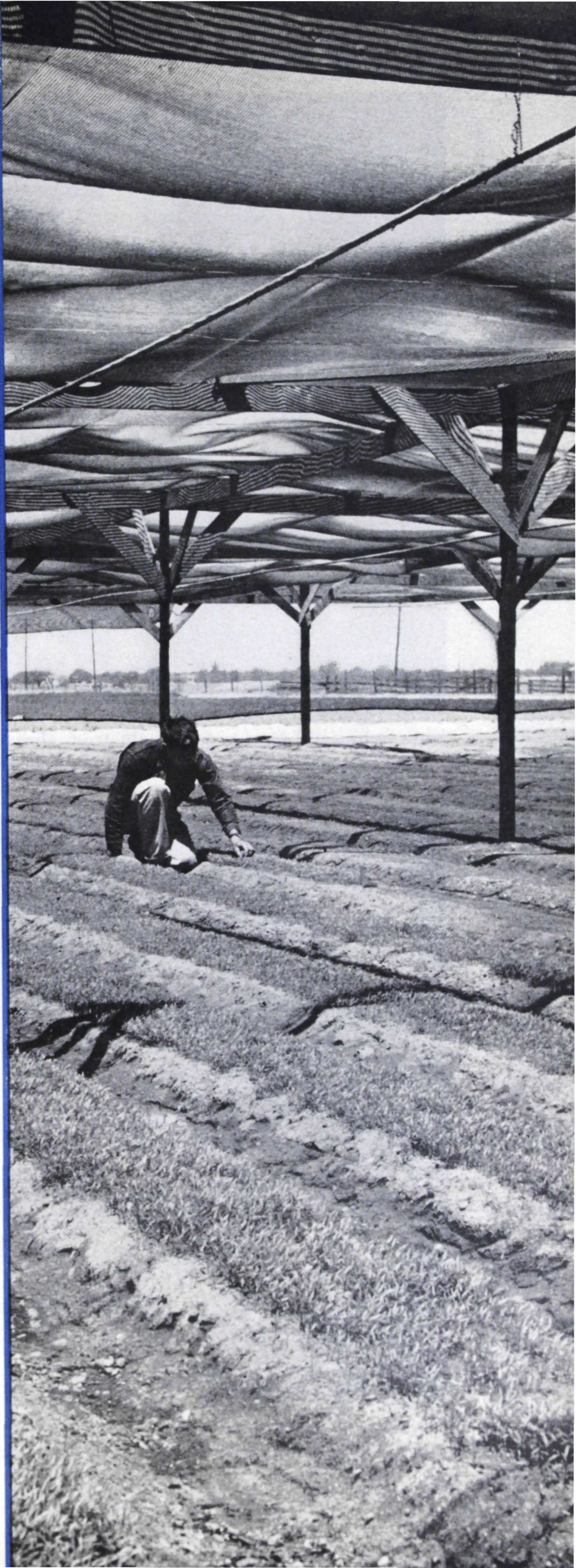
"We'll turn our garage into a vinegar works," he told his wife over the salad bowl in their kitchen that day. "I'll make up a list of bottles and other things we need. Guess we'll have to operate for awhile on a borrowed shoestring."

Johnson went to work, washing bottles, which socialite friends thought ridiculous, especially for a middle-aged ex-owner of a seat on the San Francisco Stock Exchange. Johnson hooted down such nonsense.

Soon his eight-car garage shone like a diet kitchen and its newly installed shelves sparkled with rows of vinegar-filled containers. Each bottle bore a "Spice Islands" label of his own design, the design used to this day.

Early one morning he set out for San Francisco, 50 miles north. Beside him reposed three bottles of red wine vinegar. One of his samples was flavored with tarragon, another with garlic, the third with eschalot.

At his destination, the City of Paris department store with a renowned food section, he asked for







Some spices still have to be bought from abroad but Johnson grows many herbs formerly imported



Though first cleansing is done by a mechanical picker, all herbs are hand-cleaned before packing

the buyer, a woman. She heard him through—then turned him down.

"At least," he stalled, polishing his horn-rimmed glasses with forced casualness, "would you mind giving me some advice? I'm new in this business, and I'd value the judgment of an experienced person like yourself. I know my vinegar is right, but I'm wondering about the name, 'Spice Islands.' Does it have sales appeal? Is it short and punchy enough? Or do you think I'd better junk it?"

"No, no," the buyer hastened, warming up. "Don't drop that name whatever you do. Liked it from the start. But you'll have to get it established." Then she caught herself and laughed. "I see your game—asking my advice to get me interested. Old strategy, but I love it."

Johnson laughed, too. "Well, you can't blame me for trying. But I did want your opinion, and respect it. Certainly wish you'd take these three bottles home and give them a try."

The buyer's eyes twinkled. "It's a deal," she said.

A week later Johnson was back. The buyer took five lots of each flavor—a staggering 15 cases. And before long she was reordering. But Johnson's income for that first month wasn't exciting, \$124.92.

Meanwhile, when not placing small orders with other stores, he was working at home, making vinegar and cultivating herbs on the three acres surrounding his mansion, now mortgaged to the hilt.

In his second month, when he announced that he might broaden his line, a buyer warned him: "Let well enough alone. Remember, a bird in the hand is worth two in the bush."

That did it; now, for sure, he knew he would expand.

"That proverb," he maintains, "is damnable. Why not go after the birds in the bush? If you have faith in yourself, a good proposition, and a vision of what can be done, why not try for it? The bird-in-the-hand theory has stopped—and sunk—many a man."

Furthermore, he believed that all of his past pointed up to his present and future, but it was a past of a jigsaw pattern—five years as a civil engineer on a Mississippi River surveying project, a Navy course in mechanical engineering which led to supervision of construction work in his home town of St. Paul, two years as a land appraiser for a farm loan company, and finally the long financial training. All these experiences, he correctly sensed, now were coming together to aid him in his new career.


He took over floor space in a San Francisco building. There, on money realized from the sale of personal belongings, he employed six girls and an old man to package spices and herbs, home-grown and bought on the open market—cinnamon and pepper, sage, thyme, basil and tarragon, all of the best grade; he "blended down" none of them—that is, he never diluted them with seasonings of lesser quality.

To save expenses, he opened an office in the building's boiler room. Mail orders were coming in now. And so were occasional buyers from the stores. Under his canopy of overhead pipes, Johnson would mumble something about the "shortage of office space these days." Despite surroundings, visitors usually gave orders.

"Those days were the acid test," Johnson recalls. "Proof to me that the company name was catching on—and I like to think that our quality was scoring, too. But did you ever try to make a sale while being hissed by steam valves?"

At the end of Johnson's (Continued on page 72)






Old issues usually are behind breaks  
that occur in middle-life marriages

# Why Couples Quit After 20 Years

By EDITH M. STERN



**A**LMOST everybody knows some couple like the Robertsons, who, after having been married 21 years, gave their friends a surprise and shock by getting a divorce. Even to their intimates the news came as unexpectedly as the attack on South Korea. Meg and Tim—neither these nor Robertson are their real names—recently had built a sizable new suburban house. Their children, whom they both adored, were a credit to them; the girl was married and the boy was away at college. They had always played bridge without quarreling and neither one was a backseat driver. They had seemed as happily married as the next couple.

Of course, when the split-up occurred, tongues wagged, and speculation was rife as to its cause. Some of the men said it must have been that little blonde down in Tim's office. Several of the women commented, what could you expect, the way Meg had been "letting herself go" lately? Why, she never read anything but cookbooks and dressed like something the cat dragged in.

Others countered this theory with the comment that maybe Meg wasn't so unattractive to everybody, and maybe Tim had grown tired of having that handsome, widowed partner of his always about the house and traipsing along to every dance at the country club! Still others pooh-poohed everyone else's guess and said that no





matter how you look at it the whole business was unaccountable. According to this school of gossip, even if things between Meg and Tim hadn't been as perfect as they looked, it was mighty mysterious why they hadn't either called quits long ago or continued to put up with each other.

Despite all that has been written about marriage and divorce, there is almost nothing in print about living happily after the first two decades. So to find out what is really back of middle-life marital ruptures like Meg's and Tim's I talked with men and women qualified on such matters: divorce lawyers, clergymen, psychiatrists and counselors in agencies specializing in marriage and family problems.

I discovered that those of the Robertsons' friends who had pat answers for the "why" of the divorce and those who said there was no explanation were both wrong. Also, I learned, few such separations are as abrupt and sudden as they seem to outsiders. Though the training and approach to human problems of the professionals I consulted couldn't have been more diverse, they were unanimous in this conclusion: Whenever you find an open break after years of marriage you may be sure there were splinters before.

"What surprises me," Jean Boardman, a leading divorce lawyer of Washington, D. C., told me, "is not that so many marriages break up as that as many last as long as they do under the circumstances. Why, men come into this office who have been living in the same house with their wives but, for as many as 15 years, not as man and wife. After all, that kind of thing is no marriage, even before suit is filed!"

Couples like the Robertsons, for all anyone knows, may have been living in just such an affectional Sahara. Or perhaps one or the other or both may have been indulging in extramarital affairs. Or perhaps, less dramatically, they have been just plain bored with each other for years. They put up a front for the world at large and keep on staying together because that's the easiest thing to do—until some new factor precipitates them into action. It may take the form of an individual, like Tim's little blonde or Meg's friend-of-the-family, who invites second marriage. But much more likely it will be one of the subtler situations that develop in middle age.

One of these, for instance, is the effect of the children's growing up. And here again the true explana-

tion of what happens is not as simple as it is made out by clichés like "The children held them together before" or "Now they feel that they don't have to stick it out for the children's sake."

Children are not like a coupling between two railroad cars, nor is the sense of obligation toward them what holds their parents together until the children are able to take care of themselves. Rather, while they are young and still at home, Sonia Penn, supervisor of the Consultation Center of New York City's Jewish Family Service points out, they stir up friction that may exist between their parents, and which after they are gone may become intolerable.

As an example, she cited the case of the Fetter—with name and other identifying data disguised. Fetter, executive vice president of a large corporation, was 51, his wife in her late 40's. She came to the Consultation Center not ostensibly to discuss her marriage but for advice on how she could prevent her youngest son—last of a large family—still living at home—from marrying a girl she disapproved. It did not take long for the psychiatrically skilled social worker counselor to discover that Mrs. Fetter wouldn't approve any fiancée of her son's because she didn't

want him to get married. She was lonely because her husband left her night after night.

Shortly, it transpired that for years she had known her husband had been having an affair with his secretary, but because she had been so occupied with the children, both actually and emotionally, she had more or less ignored it. Now, however, she was distressed. She said she "couldn't stand it any longer" and it was evident that the time had come when Fetter would have to choose between spending his time with her or his mistress.

Sometimes it is the husband who is caught in the hole left by the children's departure. A man we'll call Bainbridge, when his sons and daughters were small, had not been too troubled by his wife's neurotic overmaternalism; he had shared in some of her attention and devotion simply because he was present. Now, with the children married, the picture was different. Mrs. Bainbridge was always over at her sons' and daughters' homes and when he began to come home to find canned and cold food left out on the table for him while his wife was preparing dinner for one of their daughters, he threatened separation.

Mrs. Marion L. Faegre, the U. S. Children's Bureau's consultant on



**Bewildered men inquire fretfully:**  
**"What on earth has come over my**  
**wife?" However, each thinks he's**  
**the same as he's always been**



parent education, sees another middle-life strain in the friction that comes from reactions some parents have toward children of their own sex. Just as there are "growing pains" so are there aging pains, and Dad, not only beaten at tennis by his slim strong son but also almost beaten by the game itself, is subject to unconscious feelings of jealousy. Sometimes he relieves these by finding fault with Junior and cracking down on him at the slightest provocation, whereupon Mom angrily bends over backward to defend the boy.

Or the two against one line-up can be father and daughter against mother. "It was an awful moment," said a matron in her late 40's on her return from a trip abroad with her daughter, "when I realized that the men on the boat who noticed us weren't looking at me, but at Jane."

Not all mothers are as frankly aware of their feelings, and many take out their hidden envy by picking on their youthful competitors. The fathers are likely to protect and spoil the girls as a result, and the fact that nobody concerned realizes what is back of the ensuing family quarrels makes them dangerous irritants in any marriage where the parents are not completely serene and secure in each other's affection.

Something else that makes longstanding rifts in matrimonial lutes break into loud discord is the fact that just about the time a husband's world has expanded his wife's has contracted.

"Some of the most pathetic individuals who come to my study," I was told by a Protestant minister, "are the unhappy middle-aged wives who say, 'He doesn't understand my situation' or 'He takes me for granted' and their bewildered husbands who inquire sadly, 'What on earth has come over my wife? She's always complaining about the way I treat her, but I'm no different!'"

The 40-to-50-year-old men in his prosperous suburban congregation, he went on to say, had more responsibilities than ever before while their wives had fewer. The men, but not the women, enjoyed new and increasing stimulation from associates in business, professional and community activities. To make matters worse, with the wives having an unprecedented amount of time on their hands, their husbands had unprecedentedly little to spend with them.

In itself, to be sure, this disparity doesn't produce marital tragedies. But it does set the stage for them.

Many a woman with too little to do for the first time in her life, spends her unaccustomed leisure brooding, magnifying every little thing, and agonizing over whether Bill is really at a business dinner or out with somebody younger and more exciting. Many a man has risen in the world to find that his wife, left behind in the kitchen and nursery, does not fit into his new life.

Obviously when a marriage has always been on a solid basis of sexual compatibility, mutual respect and deep affection, it can weather this middle-life tendency to drift apart intellectually and socially as it has previously weathered many other disturbances. But if its general climate never has been really good, a storm can break. The husband may look for the mental stimulation lacking in his wife in another woman and find sexual stimulation, too.

But the stereotype of a husband who ditches his poor, drab, faithful, devoted partner of years for a youthful glamour girl doesn't always hold. Although women have more to lose by separation or divorce than men, although they tend to conduct their extramarital affairs with more discretion, many

times it is a wife who does the ditching.

Some middle-aged women land in the arms of lovers by way of an originally innocent desire for more "attention" than they get from such husbands as underrate the power of candy, flowers and flattering words. Some go more directly for sexual satisfaction. To a wife in middle life sex becomes relatively important; not only has she more time to think about it but also less fear of pregnancy. To her husband, who has many more other things on his mind than previously, sex becomes relatively unimportant.

He may even be impotent. "One of the leading difficulties in middle life is the unnecessary early impotence of the male," according to Dr. Walter A. Stokes, a marriage counselor of Washington, D. C. Dr. Stokes, a psychiatrist with 25 years' experience of specializing in problems of marriage, maintains that in men less than 55 the condition is almost always psychological, the product of unwholesome attitudes toward sex, established long before.

Either a man or a woman may  
(Continued on page 76)

**Unconscious feelings of jealousy can come when a mother senses that her daughter is sharing her old spotlight**







Foreign dignitaries keep the custom alive in Washington

## The Old Calling Card

**A**T WALTER REED Army Hospital a soldier back from Korea admired some flowers sent him and read the attached card which bore only two words, The President.

"The President of what?" he asked his nurse.

"The President of the United States," she said.

"You mean he sent me these flowers?"

"Yes," she told him, "that's his card."

The soldier smiled, put the card in his pajama pocket: "Gee," he said, "I'll keep this as a souvenir."

The card carried by the man in the White House is presented only on formal occasions. It is attached to gifts, included with wedding and birth greetings, flowers sent to hospitals and homes of sick friends, and placed on funeral wreaths.

Few know that the President has a formal card. But he has, along with members of his official family, the cabinet, and justices of the Supreme Court, senators and representatives.

The Bureau of Engraving and Printing supplies the White House with presidential cards. Though records fail to show what President was the first to have cards engraved and printed at government expense, it is believed that Rutherford B. Hayes who took the oath of office March 5, 1877, started the practice. From that time all Presidents have had their cards contributed by the Bureau.

As Alvin Hall, director, explains it, "The business of making cards for White House use is a minor, not

a security, item and therefore hardly worth accounting for. Besides, we had Presidents before we had a Bureau of Engraving and Printing. George Washington probably had his cards printed in Alexandria, Va."

Presidents who followed Washington, up to Hayes, undoubtedly had their cards provided by their personal engravers. Or, these cards could have been done by writers of a period that produced some of the finest penmanship extant. Until the turn of the century almost any city or town contained men of artistic talent who sat on camp stools outside mercantile stores and wrote visiting cards for passers-by.

In Washington the custom of



Years ago a salesman would not travel without his cards

leaving cards on silver trays is probably more active than in any other American city, because of the innumerable social events.

Ambassadors and ministers plenipotentiary from abroad present cards whenever they call on Washington officials. Their wives, too, get in the game. Americans return the courtesy.

During World War II when social activities slackened, the calling card almost reached the vanishing point. But, social arbiters say, there will always be this amenity.

The business card, though, is less common than it used to be. There was a time in American business affairs when a salesman would not go on the road unless he carried a plentiful supply of cards.

Years ago when James Finlen of Butte, Mont., started out as a salesman of railway supplies he had some fancy cards printed. One of these he earmarked for the president of the Union Pacific Railroad and, on calling at the office, had the card taken in by a secretary.

In the outer office, Finlen could see the silhouette of the railroad executive at his desk. He watched him take the card, glance at it and then tear it in two.

Finlen was furious. When the secretary returned and told him the president could not be disturbed, the salesman said, "Tell him to send back my card."

Back came the secretary with a ten-cent piece, handed it to the visitor and said, "He lost your card. This will pay for it."

Taking another card from his case Finlen handed it to the secretary and said, "Take him this and tell him they're two for a dime."

That did the trick. Finlen got his interview—and an order.

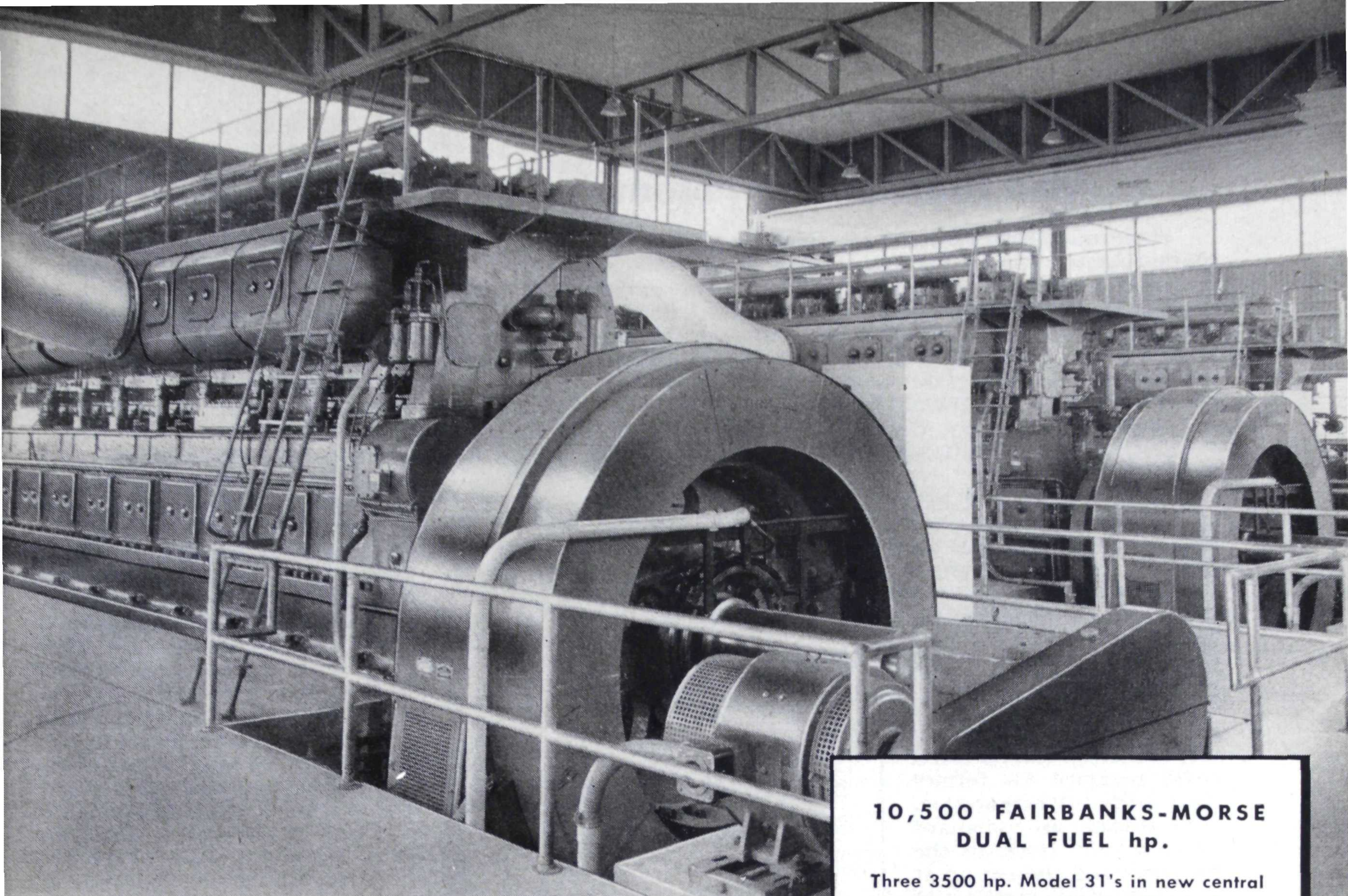
It's not likely that would happen now. This observation is verified by a man whose hobby is the collection of all kinds of business cards. He is S. R. Rudolph, a sales engineer from Akron, Ohio.

After a recent tour of states and industrial centers along the Atlantic seaboard he reported that he failed to meet one business man who carried a card.

This is one change for which the atomic bomb is at least partly responsible. Instead of the business card, a salesman on entering an industrial plant today is bedecked with a celluloid button or a dog tag, with a number. When the visit is over the identification is returned, filed away, the time of arrival and departure stamped thereon—for future reference. On future visits the button substitutes for a card.

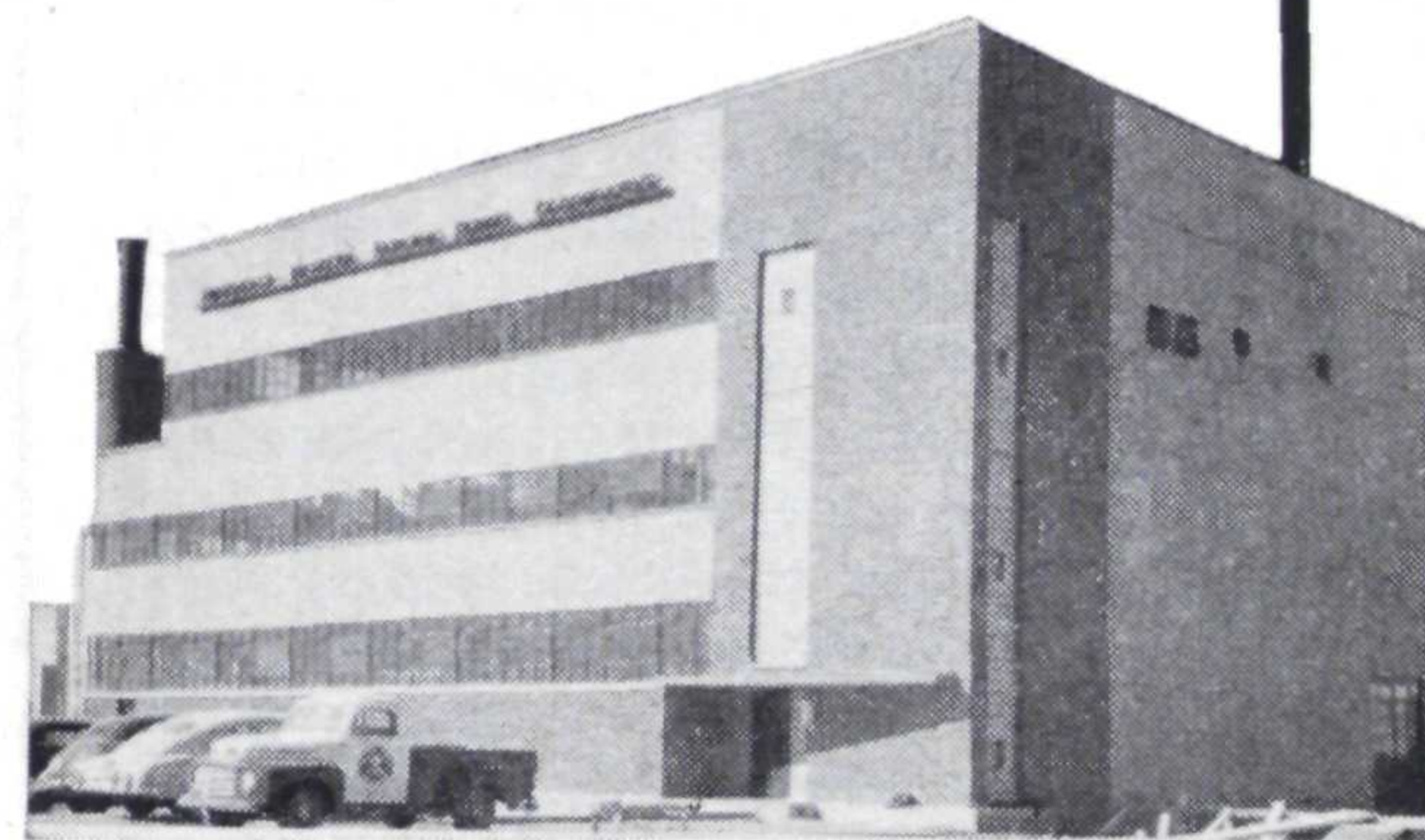
—JOHN JAY DALY





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## Man Hunt on the Potomac

(Continued from page 33)

couragements. There's the brutal fact that working on a mobilization job is punishing work, requiring long hours and intensive effort. Many a \$1-a-year man has wrecked his health in government service, notably WPB's Donald Nelson, and more recently, Defense Production Administration's William H. Harrison.

There's the further possibility that working for the Government may hurt the industrial career of the \$1-a-year man who, for one reason or another, gets tabbed as being "too government-minded." Nelson never did get back his prewar post with Sears, Roebuck. Ralph K. Davies, wartime deputy petroleum administrator under Secretary of Interior Harold Ickes, never regained his former place with his corporation, even though an indignant Ickes bought stock in the company and showed up at a stockholders' meeting to lambaste the officers for what he called "mistreatment of a patriot."

Even so, there's another, brighter face to the coin. If a few industrial men get hurt putting in a hitch with the Government, dozens of others broaden their own experience, develop their leadership qualities, widen their contacts, and jump to higher jobs in industry. "Body Snatchers" Weinberg and Wright cite chapter and verse of scores of such cases.

An outstanding example is George Keith Funston, who was holding down a minor job—"assistant to an assistant"—with American Radiator, when with great doubts, he accepted a bid to Washington made by a former professor of his. Funston arrived in Washington before World War II, and left when it was over to become president of Trinity College and a director of seven corporations. Last May, at the age of 40, Funston was named president of the New York Stock Exchange at \$100,000 a year.

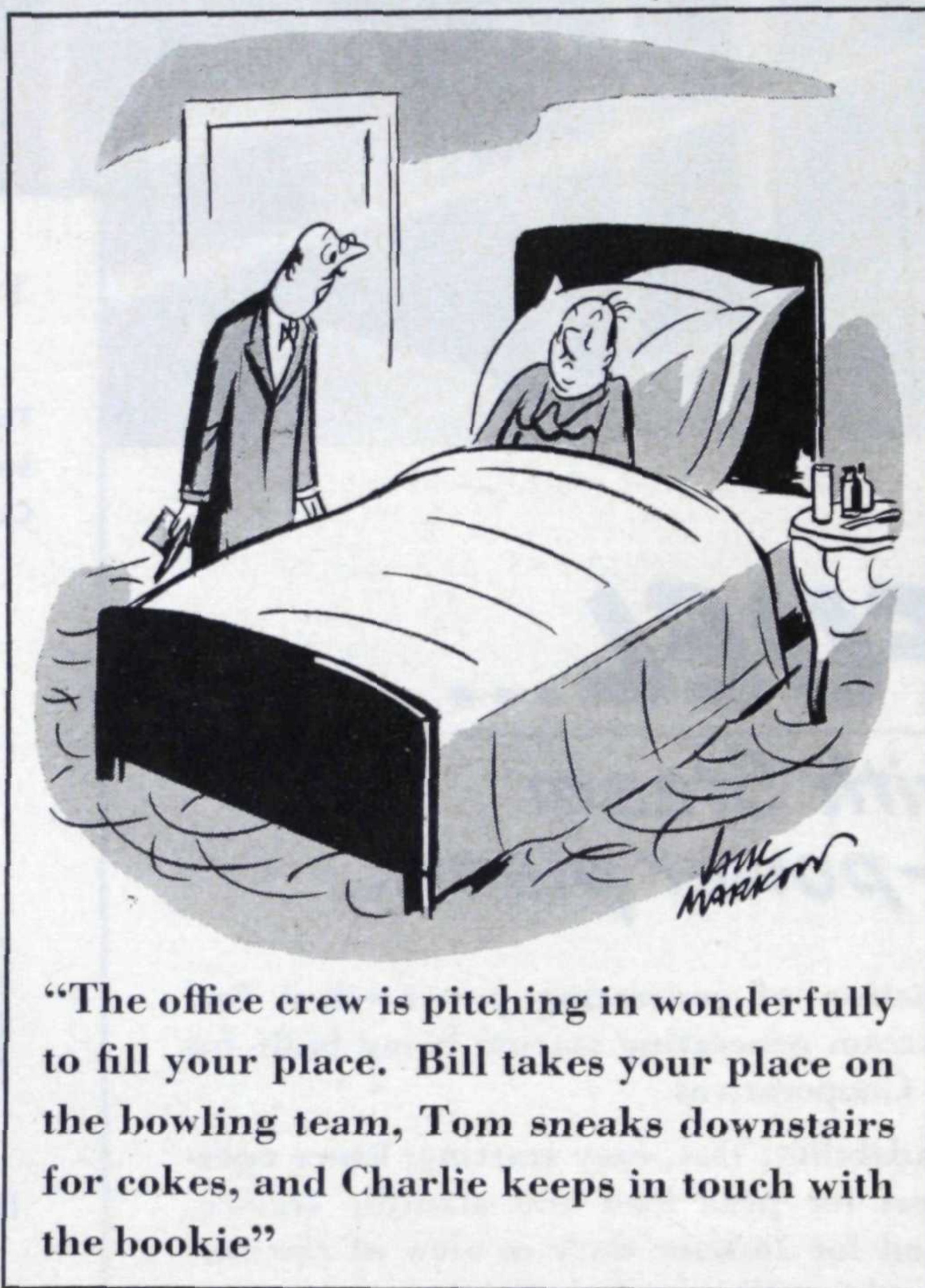
The man who successfully brings industrial know-how into the Government returns to industry with governmental know-how, an increasingly important asset in these times when government-industry relations are becoming more inti-

mate and complex, says The Assistant to President Truman.

John R. Steelman tells this story to illustrate his point:

Enforcement officers of a certain federal agency charged a public utility company with violating power control regulations at the very time that the utility was doing its best to expand its facilities under the current mobilization program.

Instead of blowing his top, the president of the utility, who had served in Washington during World War II, contacted high-level officials of the agency involved,



"The office crew is pitching in wonderfully to fill your place. Bill takes your place on the bowling team, Tom sneaks downstairs for cokes, and Charlie keeps in touch with the bookie"

convinced them that the accusations were erroneous, and then obtained high priority assistance in rushing the utility's expansion project to completion.

"I would have got mad, lost my head and accomplished nothing, if it hadn't been for my own government service," the utility executive told Steelman.

At a minimum, the business man serving for a short period in government rounds out his own experience. If you were to poll the top 5,000 officials of the old War Production Board today, says banker-recruiter Weinberg, they would all agree that they are better business executives because of

their Washington experience. Besides, Weinberg observes, they've enjoyed the sense of satisfaction that comes with constructive public service.

Now then, what about the stories of red tape and frustration? There is plenty of both, but the really good executive learns to work with red tape rather than get entangled. Government red tape is, basically, a system of checks and balances developed to protect the public interest.

"This (the mobilization program) is a helluva big thing," noted Ed Gibson, who took leave from General Foods to help run the Defense Production Administration. "It's much bigger than running any one company, no matter how large the company is.

"In business, most decisions are based on whether the company makes more or less money. So, if one man makes the decisions, he can probably hold onto his job so long as he shows a profit.

"But here in Washington we make policy decisions every day that affect the lives of great segments of our people. No one man is big enough to make the decisions by himself, and anyhow, the burden of such a responsibility would be killing. The smart executive learns soon after coming to Washington that the red tape permits him to share responsibility, and arrive at calmer, wiser decisions because of it."

Perhaps the most impelling reason for bringing the thinking business man into the Government is what RFC Administrator W. Stuart Symington has described as "intelligent self-interest."

"I want to insure my own neck," the former president of Emerson Electric Manufacturing Company told an industrial associate.

"If this big job (of mobilization) falls down, nothing is safe—our homes, our families, our businesses, our bank accounts—nothing is safe."

With the nation's defense effort geared at preparing the country for sudden war, and at keeping it prepared for the next ten to 20 years, it is time to end the hit-and-miss mobilization recruiting system.

What's needed is a practical, businesslike approach to the problem in place of the outgrown sys-



tem of flagwaving reluctant executives into the Government in fits and starts.

Tom Nichols, who served as NPA deputy administrator, a WOC on leave from his \$100,000-a-year presidency of the Mathieson Chemical Corporation, took a step in this direction.

Of the 50 NPA bureaus and divisions under supervision of Nichols, all but a few are filled by \$1-a-year men.

Nichols operated a rotation plan under which an industrial specialist served a specific period in NPA, from six months to a year, and then automatically was replaced by another specialist from a competitive firm.

The Nichols' plan has several advantages over the "daisy chain" and the "body-snatching" system. It permits an executive and his company to plan ahead for his leave of absence in an orderly fashion.

It guarantees to the business man he won't have to stay in government "too long." It assures the company it won't have to give up a disproportionate share of ever-scarce, ever-in-demand topnotch executives.

It provides a continuing replacement program for executives. And it creates what Nichols termed a "stockpile of industrial intelligence," ready for instantaneous mobilization should full-scale war break out.

Excellent as the Nichols rotation system was, however, it suffered from a basic weakness:

It was, in effect, a one-man, one-agency operation.

What the mobilization effort requires—in the considered judgment of men of proved leadership in both industry and Government—is a centralized pool of brain power from which the defense agencies could borrow, for specific periods, those business experts and industrial specialists needed to meet a particular situation.

Such a pool should be created as a joint operation of Government and industry.

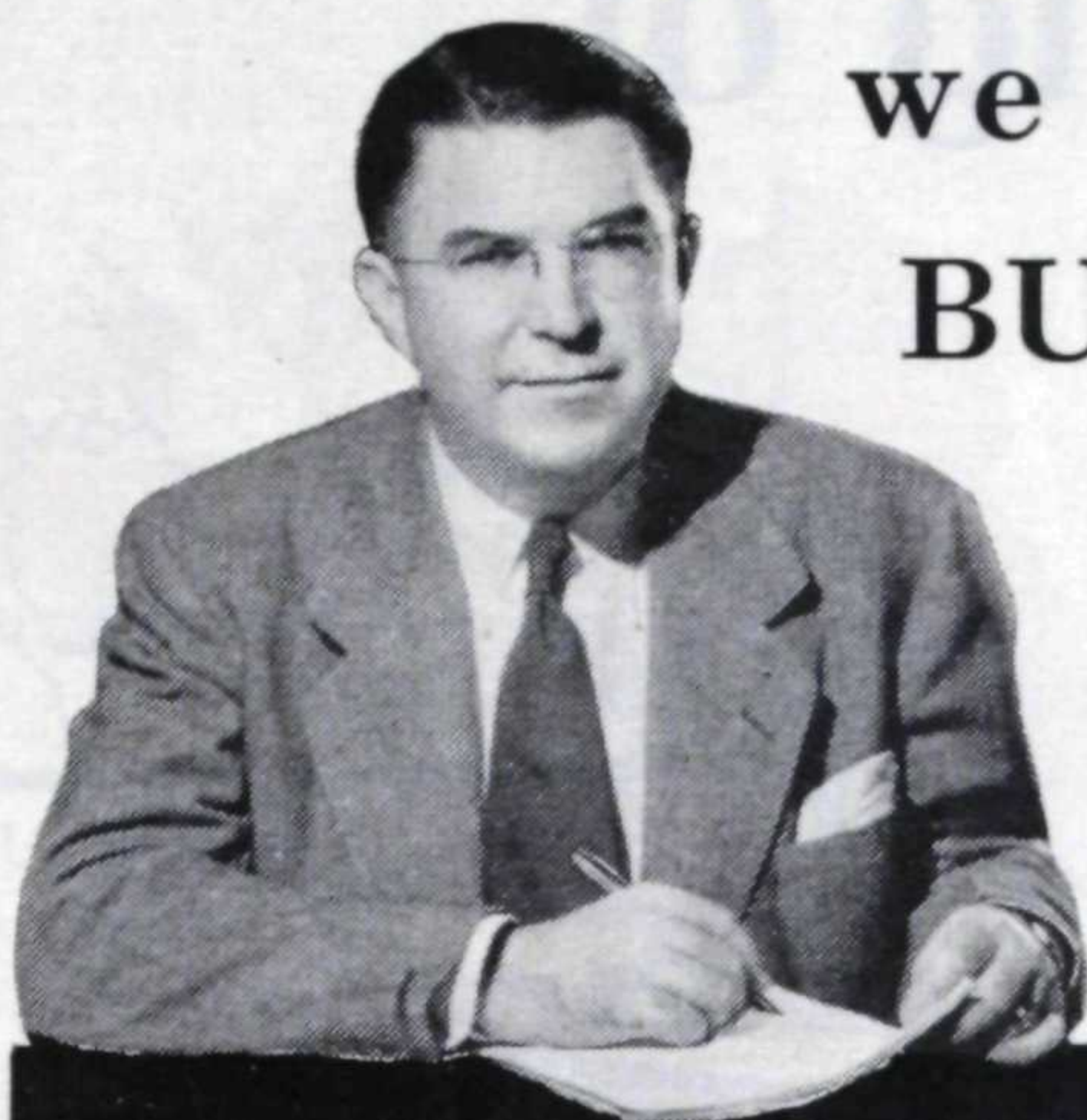
Big and small business alike would participate in the pool, making executive personnel available to Government on the rotation principle according to each company's ability to do so.

By building up such a reservoir, Government and industry would achieve the goal toward which all the helter-skelter methods of recruiting have been staggering. Put simply, that is:

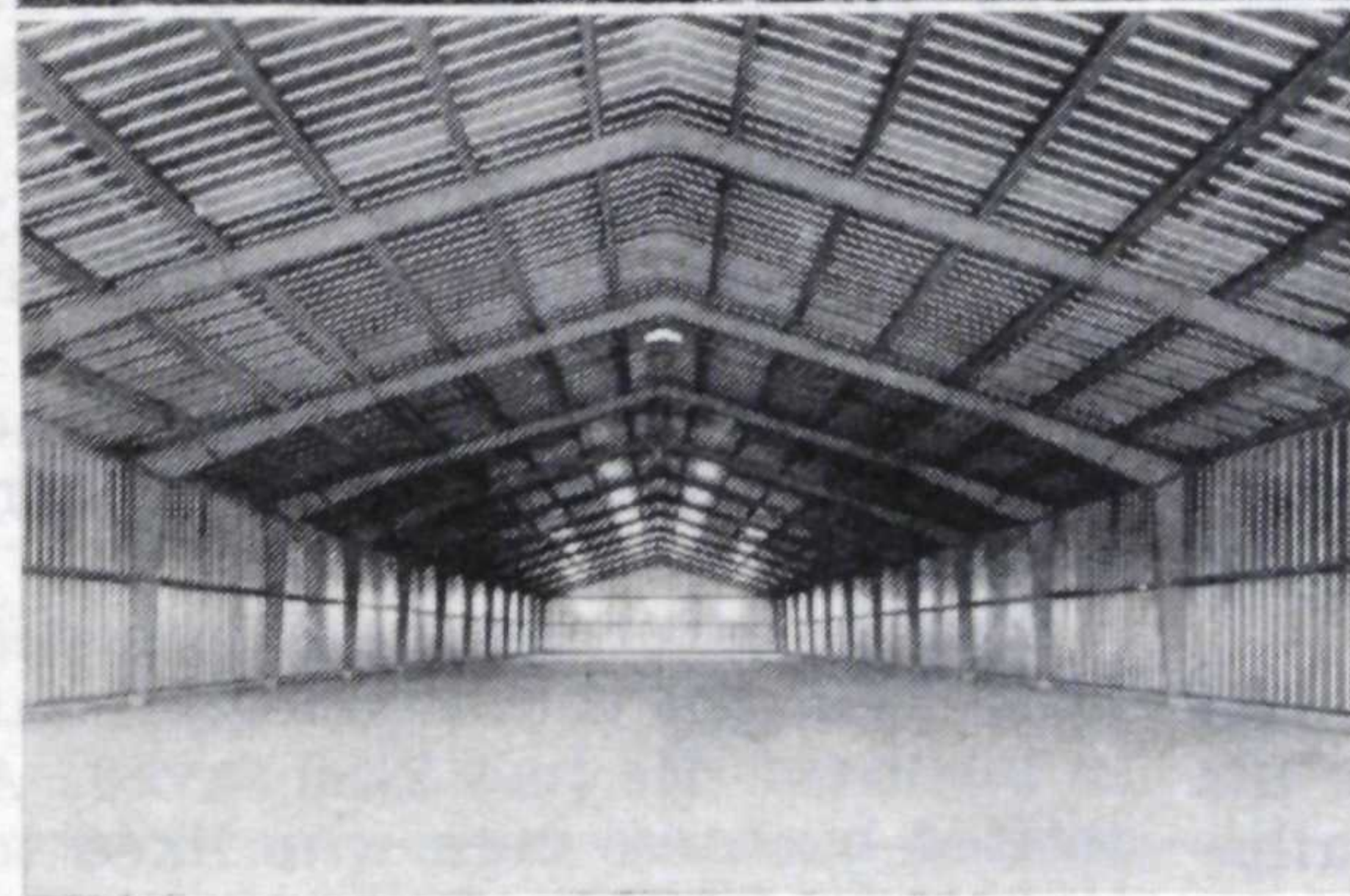
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He pampered pests to become

# The Ant King of the World

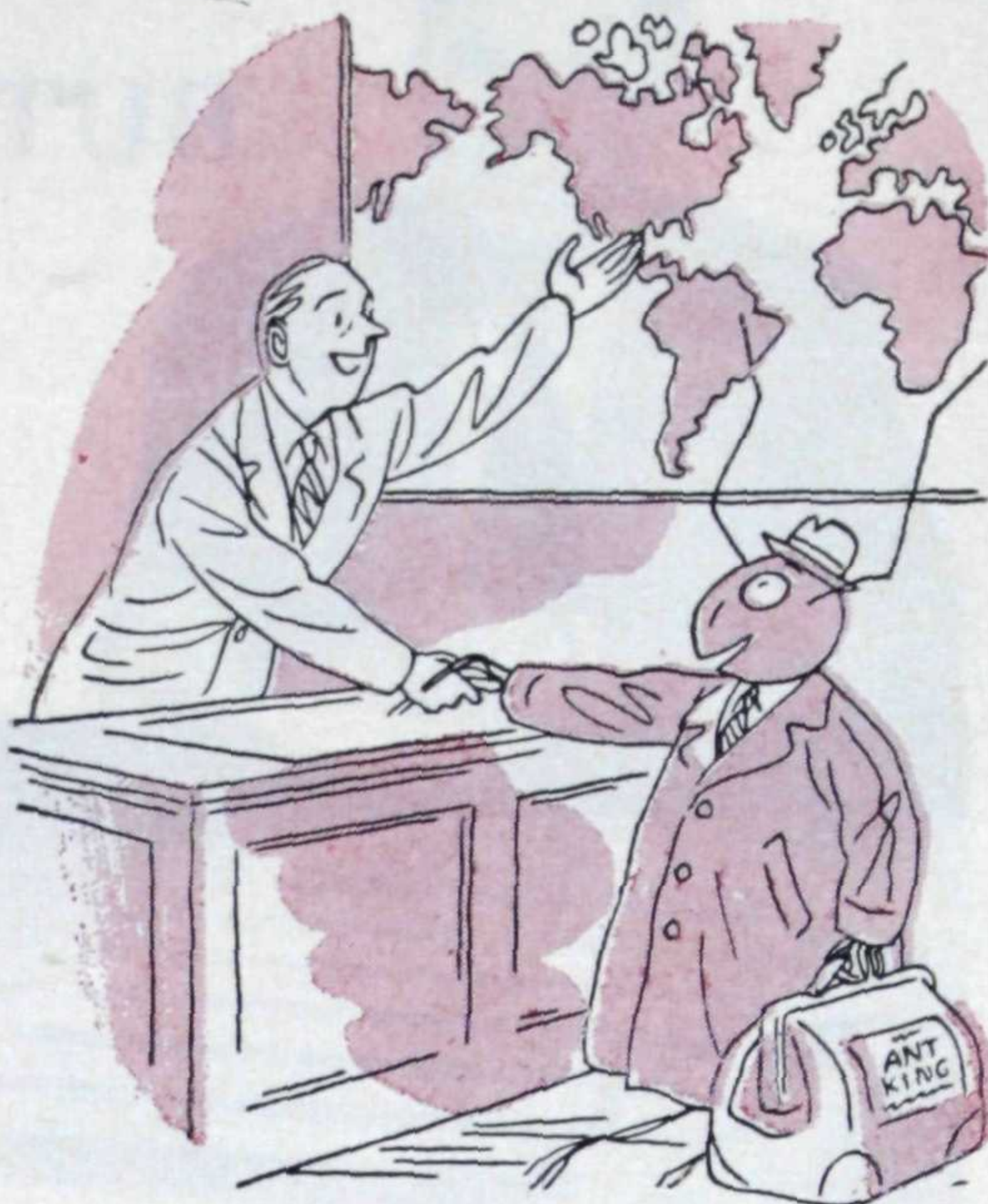
TO MOST people ants are an anathema, and every year about this time they spend millions to combat the despised invaders. Meanwhile, a California naturalist-business man is busy marshaling his forces, including three full-time ant diggers, and laying in supplies to house and nurture millions of the creatures for people who will pay good prices for them.

Delyn Hornaday of Burbank has created a thriving business by exploiting a characteristic of the ants that makes them so annoying—their consecration to their work. In glass-encased communities, Hornaday's "educated ants" run circuses, gold mines and model villages. By harnessing their activities, he transformed a back yard pastime into an enterprise that has made him wealthy.

Hornaday, who has made a specialty of turning pests into pets, enjoys a monopoly in his field. Lesser but profitable side lines are termites, earthworms, crickets and silkworms.

"The Ant King," as he is known to more than 250,000 buyers of his products, ships the ants in gaily-decorated glass houses throughout the world. Among his customers, or fellow-"antitarians" as he calls them, are President Truman, Winston Churchill, movie producer Cecil B. de Mille and Princess Elizabeth. The bulk of his orders come from educational institutions, particularly grammar and secondary schools, and hospitals for patients with mental and nervous disorders and those confined to bed with physical disabilities.

A tall, gentle-mannered man in his late 30's, Hornaday established the business quite by accident 19 years ago. Ants first captured his imagination when he was studying zoology at Whittier College in California, and he was assigned to observe the civilization of specimens his professor had on display in a goldfish bowl. Hornaday was so fascinated that he dug up a colony from his back yard and arranged it in a fruit jar.



Colonies travel to every land

"That crude jar was the foundation of my business," he recalls. "It was the neighborhood children who showed me that ants under glass had commercial value."

To amuse the boy next door, he housed a colony in a case made of old picture frames. Soon the boy's friends were besieging Hornaday with requests for the animated ant villages.

"Gee, Del," exclaimed one of the kids, "bet you could sell a million of them."

Shortly after that enthusiastic prediction, the young collegian was in business. He had \$100 saved. A retired business man who liked to tinker in his woodworking shop agreed to make the frames for a nominal sum. Another neighbor

was persuaded to decorate them with paint. Then Hornaday went out digging for ants and experimented with feeding and watering his captives. Even today the most exciting part of his business, he says, is to spend a day digging with his crew in the Mojave Desert or the Coachella Valley, where the main supplies are found.

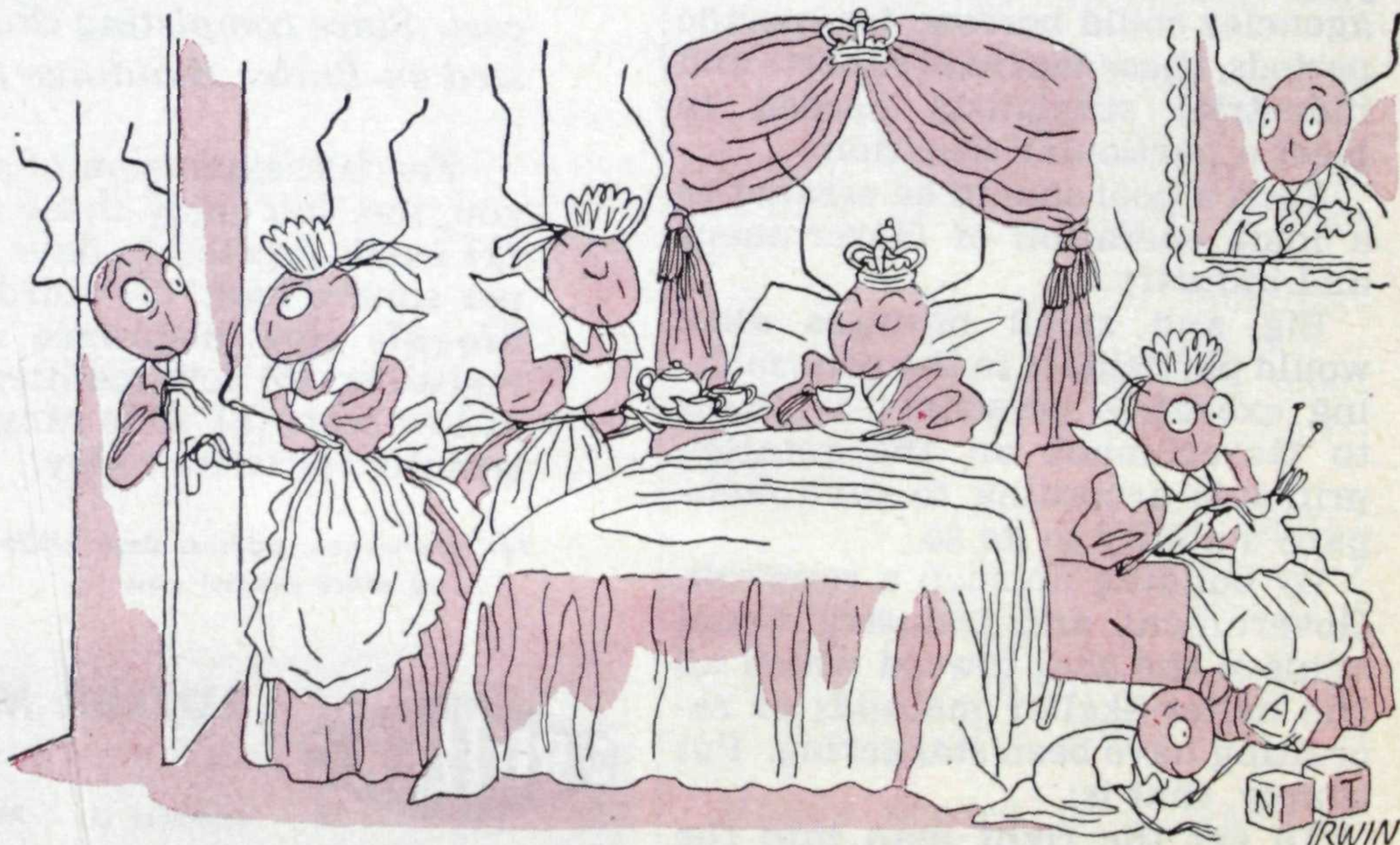
The first order came from a Los Angeles department store which displayed the ant villages in its windows. Police had to be called to hold back the mob of pushing spectators and Hornaday sold out his supply the first day.

The next morning, as he planned an expansion program in his garage, three men from the California Department of Agriculture called on him. When they found that he was shipping ants that he was unable to classify, they almost put him out of business.

The officials finally gave him a permit to sell the ants for "educational purposes" when he succeeded in identifying them as the harmless agricultural *desertum pogonomyrmex*, one of the 350 kinds of Harvesters. Large red ants which are often referred to as "the farmer's friend" because they aid in rehabilitating the soil, Harvesters seldom enter dwellings.

Soon orders were piling up. More trouble developed, however. It was discovered that shortly after the glass houses reached their destinations, the ants died. Hornaday exchanged fresh colonies for the dead ones, but again, once inside their frames, they died. Then he learned that it was the odor of the paint from the frames that was killing the ants. Three manufacturers, working for months, finally developed an odorless paint.

Once his shipments were flowing



Each ant functions as an individual, such as a guard or a nurse



out again, Hornaday moved his enterprise from back yard to factory. Then he reinvested most of his earnings in research on food and methods of prolonging the life span of the captive Harvesters.

A combination of wheat, barley and alfalfa seeds, plus vitamin B, was found to be the ideal nourishment. He also learned that ants had to be housed in the same soil from which they had been taken and that they required a humid atmosphere. He also developed a secret method of treating the soil to prevent the formation of fungus.

To Hornaday and his customers, the greatest appeal of the ants seems to be their industry and individuality. "They have as marked differences as people," he explains. "After you've watched them for a few weeks, you can spot one from another in a colony of 50 or so as you could one person in a group from another."

Each ant has his own function in the colony, and many of them are designed specifically by nature to perform certain chores. For example, guards have blunt faces and nurses, according to Hornaday, have "pretty little olive-shaped faces." The nurses spend much of their time tending the princesses, who nearly always are expectant mothers when they are put into the glass houses.

Hornaday provides his villages with a variety that represents a microcosm of an ant community in the fields. Whenever possible a queen is added to the colony. In lieu of this matriarch, the ants

choose a boss. This executive does no work but can be seen passing from tunnel to storeroom to burial ground, inspecting projects under construction. In the storerooms, seeds are doled out to colony members by the storekeepers. Assisting them are workers whose job it is to take husks off seeds.

The head of an association of apparel manufacturers was so impressed by the ants' devotion to their tasks and their cooperation that he ordered 3,500 of the villages for customers. "This may give you some idea," he wrote to his customers, "of just how hard we're working to please you."

Recently Hornaday received a wire from the doctor, in which he pleaded for help in saving the life of "The General." For many months the General had been a never-ending source of pleasure to him. Suddenly the old soldier had fallen ill and failed to respond to ministrations of B-1 and salt. He asked Hornaday to wire collect immediately his recommendations for saving his pet. Hornaday did, but shortly thereafter the doctor informed him that "the General died at dawn."

"It must sound like a crazy way to make a living," Hornaday says with a smile. "But I love ants, believe me. Their degree of civilization is equaled only by man. They've a great lesson to teach us in what we can accomplish by cooperation. Even the Bible tells us, 'Go to the ant, thou sluggard, and be wise.'"

—JUANITA SAYER AND CLARK ROBERTS

## Bible in More Languages

EVERY now and then we meet, or hear about, that polished cosmopolitan and world traveler who "speaks seven languages." If it has been your custom, as it must be for many people, to feel like a gawky bumpkin in the presence of such a one, it would do you good to talk to miss Margaret Hills who is librarian of the American Bible Society.

You will find that the man with seven languages has not even made a start. Mission presses, commercial printers and private publishers, as well as the Bible societies, have already published the Scriptures, or parts of them, in 1,034 languages and dialects. The tabulation goes like this:

The whole Bible in 191 languages; a complete Testament in 246 additional languages; a Gospel

or other whole book in some 597.

And the field is not yet covered. Last year, for instance, the whole Bible was printed for the first time in Kashgar Turki, a language spoken in Sinkiang (Turkestan). Two New Testaments were published in Kikwango, a dialect spoken in the Belgian Congo; and in Kurukh, spoken in the Central Provinces of India.

In addition an entire Gospel was published in: 1, Dyak: Maanjan; 2, Jorai; 3, Myimang; 4, Riag Lang; 5, Sara: Madjingai.

It might bolster your ego to ask your multilingual friend if he knows where he would go to use those languages. If he doesn't know, tell him: 1, Borneo; 2, Annam (South East Asia); 3, the Sudan; 4, Burma; 5, French East Africa.

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If a government messenger were to injure you with some books he was delivering, there would be two courses open to you . . .

You could petition either a federal district court or the agency involved, depending on the amount of damages



But should the messenger hit you with a bat while delivering the books, no federal agency or court will hear your case



# When to Use Your Right

**N**OT MANY of us realize that the Congress of the United States has a judicial function that stretches from here to there. Yet every time Congress makes a private bill award, it sits as a court of last resort for some poor fellow who has a gripe against the Government but doesn't have the legal right to take his claim to a regular court.

Matter of fact, in sheer output, the judicial function of Congress is generally more impressive than its legislative work. Three of the last four Congresses passed more private bills for individuals than they did public bills, which affected at least a broad class of us. The last Congress—the Eighty-first—passed 1,081 private bills and only 905 public bills. And stacked side by side, the private bills probably were crammed with as much emotion as the public ones.

Take the recent private bills, for example. A baby was blinded at birth in an Army hospital in Ger-

**HISTORICALLY linked with logrolling, the private bill often turns out to be an individual citizen's last chance to get redress**

many by an Army doctor who used a wrongly labeled medicine. A business firm found its costs had skyrocketed because it struck rock unexpectedly while operating under a rigidly priced government contract. If it could not recoup \$500,000 in extra costs, it would be in serious financial trouble. An American was unable to bring his Indonesian bride home because of the Oriental Exclusion Act. A homesteader discovered that his house and barns were not on his property because of a slipshod government surveyor. A boy left his

keepsake camera with a guard in the Capitol and when he completed his tour of Congress, the camera was missing. An Indian named Abe Lincoln was charged money by the Department of the Interior for living on government property when he actually lived in a private home.

The common theme running throughout these private bills is that in not a single case did the petitioners have a legal claim against the Government which would have permitted the courts to grant them a hearing. If they hadn't been able to appeal to Congress, they would have been finished.

But fortunately for them, the Constitution guaranteed them the right to petition Congress for a private bill. The First Amendment permits anyone to ask Congress for a redress of grievances against the Government. How well even our earliest congressmen knew this. From 1789 to 1793, while our fledg-



To get any satisfaction, you could let the state try him for attempted murder, which the state would do in any event



As a court of last resort for petitions like yours, Congress pays little attention to such things as legal precedents when it acts



Yet better still, you could discuss your case with your congressman and get him to introduce a private bill



# of Petition

By ALFRED STEINBERG

ling legislators were organizing such monumental institutions as federal departments, tariffs and currency, they had to take the time to consider more than 1,000 petitions from private citizens.

Often, the only thing private about a private bill is its name. Some have packed a terrific wallop and have resulted in Cabinet crises, Senate filibusters and falling out among party regulars.

George Washington found them handy in promoting foreign trade. In his first term as President, the British had blockaded France and American merchants hesitated to send their wares abroad. Trade dipped ominously. Finally, Secretary of State Thomas Jefferson promised the merchants that Congress would consider their petitions for redress of injuries suffered on the high seas. Only after this assurance that private bills would be made available did trade rise again.

Nevertheless, private bill historically has been one of those

bad-sounding terms linked with logrolling. Until the Legislative Reorganization Act of 1946, one great form of national sport was to petition Congress for a pension, for a change in military records, or for the construction of a bridge over a local stream. The Fifty-ninth Congress, in 1905-07, hit the jackpot with 6,248 private bills, which came to 90 per cent of all the bills it passed. And most of the private bills were of these logrolling varieties.

More than one congressman complained there were so many pensioned widows of soldiers from our earlier wars still in circulation that perhaps medical science should investigate their remarkable longevity. And even the private bills Washington's Administration promised foreign traders—called the French Spoliation Claims—still were being dropped into the hopper as late as 1945.

But times are different now.

The only private bills Congress will consider today are those deal-

ing with money claims against the Government, land claims, and immigration and naturalization claims. French Spoliation Claims have been tossed out the window and Congress has assigned pensions, military records and bridge building to administrative agencies. Claims more than 15 years old will not be entertained because of the difficulty of determining the true facts. And a private bill once rejected will not be reintroduced unless overwhelming new evidence is produced.

On petitions dealing with money claims against the Government, Congress will hear no claim from anyone injured by a government employe who was acting "within the scope of his employment." If a government messenger delivering six volumes of the 1950 census dropped them accidentally on your head, your petition would be handled by the federal agency involved if you wanted less than \$1,000, or by a Federal District Court if you claimed greater dam-



age. Congress would say he beamed you within the scope of his employment.

However, should that same messenger wallop you with a baseball bat while delivering those six volumes, no federal agency or court will hear your case. They would say he was not acting within the scope of his employment. To get any satisfaction, you could let the state try him for attempted murder, which the state would anyway, or you could petition Congress for a private bill.

Government agencies and the courts operate under the strictest possible interpretation of the term "within the scope of his employment." There is actually a 1943 case on record where Pentagon officials held that the Government was not liable for damages involving one of its motorcycle messengers because his accident occurred as a result of his returning to the Pentagon from an errand via the Key Bridge and not over the Highway Bridge, the route they had blue-penciled for him.

During the last war, the commander at a southern training center forbade pilots to fly further away than a radius of 50 miles from the airfield. Two young pilots residing only a few miles beyond limits buzzed their home town one day. They flew too low and crashed into some houses. The Government took the view that it had no liability to the townspeople because the boys had not acted within the scope of their duties. Since no court would award damages, it took a private bill to settle the claims.

As a court of last resort, Congress pays little attention to cold legal precedents. Its chief consideration seems to be whether justice is being trampled underfoot. It is the only court extant which publicly acknowledges that it often arrives at a decision simply because it feels sorry for the party involved.

A typical action of this sort involved a mailman of Oakland, Calif. While on the way to his post office to drop off a registered letter containing \$681.33 in bills and currency, he found a man lying on the ground bleeding profusely. Without hesitation, he stuck the letter in his hip pocket and gave the man first aid, saving his life.

But after the ambulance arrived, he discovered the registered letter was gone. Someone in the crowd had filched it while he was bent over the injured man.

The Postmaster General said that the carrier's failure to follow instructions forbidding mailmen to carry mail in their pockets ap-

parently caused the loss. The Comptroller General pointed out, however, that the Federal Tort Claims Act specifically excludes claims based on lost mail. The carrier had to make good the loss.

After making small monthly payments on the missing letter for more than two years, the mailman decided he, too, would write a letter. He wrote his to his congressman. Shortly afterward, a private bill was introduced, his claim was examined and passed by Congress. The President signed it, ordering the Treasury to pay for his loss.

In reporting out the bill, the House Judiciary Committee told Congress that while there was no legal basis for the mailman's claim,



"the humanities are such as to justify the reimbursement of the claimant for the loss sustained by the Government."

Despite Congress' fondness for petitions that cry out for justice, don't think it is lenient with the Treasury's gold pile. A person with a claim against the Government ordinarily will fare better in court than he will before Congress. Back in 1945, an Army plane crashed into the Empire State Building and killed a man working on the seventy-ninth floor.

His widow petitioned Congress for a private bill and was in line for a \$10,000 award. In the midst of these proceedings, Congress passed the Federal Tort Claims Act, permitting her to transfer her case to federal court. She did and won an award of \$47,000.

In making awards, Congress has no fixed standards, but utilizes rule-of-thumb methods. These are chiefly the handiwork of Walter R. Lee, long-serving staff member of the House Claims Subcommittee, whose determinations dollarwise generally are heeded by Congress.

He graduates death claim awards according to the age of the deceased. They run from \$2,000 for children, up to eight years of age, to a maximum of \$10,000 for adults. Before the current inflation descended, Lee's maximum death claim proposal was \$5,000.

Injury claims often are puzzlers. Each by necessity is decided on its merits. A farmer who loses a leg as a result of a government action can expect a higher award than a clerk who loses a leg. During World War II, a soldier on a troop train threw a hardboiled egg at a railroad fireman on a passing train, and managed to destroy an eye. The Army ruled that the soldier had not acted within the scope of his duties and that the injured fireman could not bring action against the Government.

But Congress passed a private bill awarding him \$4,300. Lee computed this figure by determining what his future earnings might have been as a railroad engineer, a job requiring two good eyes, and deducting from this sum a fireman's salary for the same length of time.

What looks like logrolling today unquestionably is the strongest point in favor of private bills. They take up little time on the floors of Congress. Last fall, a tourist walked into the House galleries and sat down to watch the proceedings. The clerk was calling the Private Calendar.

Thirty minutes later, when Mr. Tourist rose to leave, 75 private bills had been passed without a single dissent! No doubt he went home less certain than before about the honesty and earnestness of Congress. Of course, what he did not see was the long-drawn-out scrutiny each of those private bills got before coming to a vote.

The average private bill takes nine months to get through Congress. After Representative Doe drops the bill in the hopper, he has to file the evidence for the petitioner with the hearing committee. The government agency involved gets 60-90 days to make its report on the case. Then the bill has to clear the rungs of the subcommittee and the full committee, and only if they approve it unanimously will it be placed on the Private Calendar of the House. And even here, before the vote, the majority and minority leaders appoint six official objectors to screen the bills and weed out ones they feel are unworthy. When the vote finally is taken, if any member present objects to a private bill, it is passed over, and if two members



object, it is recommitted to the committee for further consideration.

Then, of course, there is the Senate, where the process must be repeated, and here again action must be unanimous. If a private bill fails in one house, the other will not consider it.

Even after a private bill clears Congress, it still needs the President's signature. Few Presidents have sloughed off private bills as an inconsequential duty. Last August, during a low ebb in the Korean fighting, President Truman spent most of a White House staff meeting arguing the merits of a single private bill. This bill would have permitted a dead soldier's insurance money to go to his adopted sister. The Veterans Administration was objecting because the law specifically restricted such payments to blood relatives. At the end of the staff meeting, the President signed the private bill.

Only once since the Cleveland Administration has Congress overridden a veto of a private bill. This happened in 1949, after a Tennessee tobacco factory had burned down and \$8,437.98 worth of internal revenue stamps were lost in the fire.

Congress examined the claim and passed a private bill reimbursing the firm for the stamps. But President Truman vetoed the bill on the grounds that a refund could be legally made only if the stamps had been returned to the Treasury in a recognizable condition or if they had been destroyed under the supervision of a deputy collector. In a wrathful mood, Congress overrode his veto.

**T**HERE are many ways private bills can be improved. Most congressmen feel obliged to introduce any private bill a constituent may petition him for. Take such private bills as frequently are introduced which would order the Treasury to return money paid as fines for violating government regulations. Once they are introduced, committee staffs and government agencies involved must spend time and money investigating them. Yet their chances of getting by are nil.

Other private bills have been introduced which would return money to designated individuals who used the wrong tax form. One such bill, which cleared Congress only to be slapped down by a Presidential veto, would have returned \$32 to a taxpayer in North Dakota. Think of the actual cost in promoting a bill of this nature.

More uniform decisions would

also help. Today there is no certainty that identical cases will get identical treatment. Recently, one senator objected to the private bill award for a constituent and held the Senate floor for two hours until his colleagues agreed to raise the amount by an additional \$10,000.

Still another improvement would be to lower the voting requirement so that a private bill can be passed without a unanimous decision. Of course, unanimity is one deterrent to logrolling. Yet there have been times when a single congressman, irked by one matter, has objected to every bill on the Private Calendar.

**W**ITH the development of the mobilization program, two types of private bills will grow in number. One will pertain to injuries and damages caused by the growing ranks of the armed forces who will not be acting within the scope of their duties.

The other will deal with contract claims. Some will come about because of unexpected cost increases above those computed in signed government contracts. Others will result from relying on well intentioned government officials who lack authority.

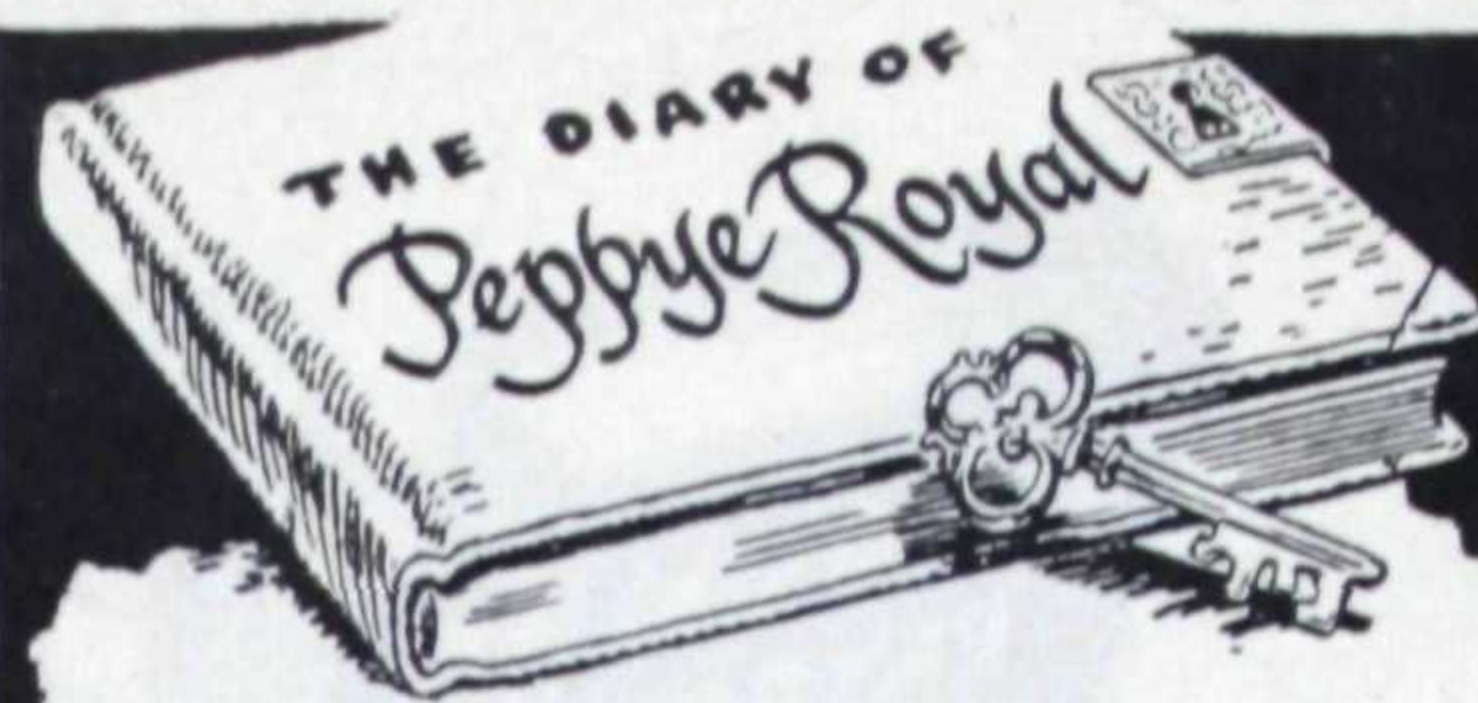
During the last war, several boatbuilders signed contracts to construct small speedboats for the Government for \$8,500. Shortly afterward, Navy supervisory engineers made the rounds and told them to add various improvements which would make the boats sturdier and faster. "The Government will take care of the extra costs," they assured the builders.

By the time the boats were built, some cost as much as \$15,000. The comptroller general's office ruled that as long as the improvements were not specifically listed in the contract, the builders would have to stand the loss.

As a result, the firms were stuck: the Government would not settle and, because of legal technicalities, it was determined that the courts could not enter a judgment against the Government. All the firms wanted was compensation for out-of-pocket losses. A private bill was the only recourse.

A petition to Congress in behalf of these builders came next and another successful private bill was born.

By the law of averages, there will be many similar experiences this time. And private bills will continue to be the last hope for those who have nowhere else to take their complaints about the Government.



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*July 1st*—Up betimes and did forthwith analyse my Journell. Long did I ponder o'er growing costs and slowing profits.

*July 4th*—Independence Day. One that should have greater Significance than ever today. And not obscured by picnics, parties or play.



*July 9th*—The Stone of Scone, now duly returned after a Chauvinistic pilfering, recalls that the Axiom, "Uneasy is the Head that wears the Crown", might be anatomically altered.

*July 12th*—Much Complaint anent the price of Victuals. Like the ill-wind, good may come there from in that some may eat more Simply and Sanely.



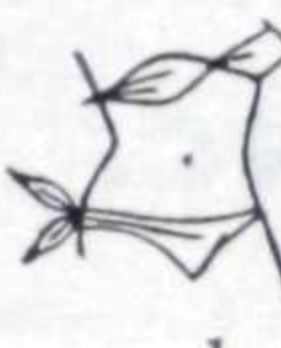
*July 17th*—Even in periods of Tranquility and Peace, my poor shoppe could only supply a pittance of the metal furniture demanded. With Defense production and even less available, my Patrons may wisely procure from my competitors, many of whome make good products.



*July 21st*—Fred Harris, cozen of mine, sends me the customarily worded postal from Paris. Trust his visit abroad ends while his Impressions be yet vivid and pungent, not over-staying until they become Qualifying and Confusing.



*July 25th*—This day I have commenced the Fashioning of my new hospital furniture in my shoppe, after nigh a year of Experimenting and Die-building. So Beautiful it is that even amid illness, it will bring a Measure of Joy.



*July 30th*—Comes the annual ado anent the absence of cloth in milady's Bathing garb. At least at this point one knows that it be shrinkproof.

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## Safe at Home

(Continued from page 42)

a sort of community playground for the youngsters. What could I say?"

I hung up without hope in the mayor's help.

I tried other things—in fact, everything I could think of, like getting editorials in the paper and finding somebody in Riverwood to buy the team. There wasn't any individual I knew rich enough to swing it alone; so I spent all day Sunday and all Monday trying to form a *syndicate* which might take over the Ramblers. But who wants to toss \$5,000 or \$10,000 a year into an investment which has never shown a profit?

My syndicate idea collapsed by Monday night because I'd persuaded only two men to come into it—and these two only with the stipulation that I'd find eight others. I got nowhere.

NEXT I drew up a resolution by which every member of the team who earned more than \$200 a month—myself included—offered to take a 25 per cent cut in salary provided Barron would keep the team in Riverwood. The boys didn't like the idea, but they signed after I'd talked my heart out, and I personally took the resolution up to Barron's big Georgian house on Eggers' Hill.

He read it through slowly and shook his head. All it would save him was maybe \$8,000 or \$10,000, and he wasn't willing to spend even \$40,000 on baseball.

I was beaten again.

What else *could* I try? So help me, I put aside my pride and appealed by telephone to Barron's wife. I talked to her for an hour. It did no good at all. "In a matter of this kind, Tom," she said, friendly but unyielding, "my husband has to make up his own mind."

In the end I sat back, limp. My wife put a hand on my shoulder. It was gentle and understanding, and so was her voice.

"Don't take it like that, Tom," she said. "You've got nothing to blame *yourself* for. You've done everything you could."

"Not everything," I said. "There must be *some* way to convince him. . . . It isn't as if he can't afford it—"

"Even if he can afford it, Tom, \$50,000 a year is still a lot of money. Trouble with men like you and old Walter Barron, you love

baseball so deeply, so blindly, that the question of money comes second."

"Well, we're not alone," I said. "Where's there a decent, self-respecting city in America that hasn't got its ball team? Why should Riverwood be different? This thing gets right down to something fundamentally American in spirit—a matter of community pride—"

But discussion got us nowhere. I had to face it: I'd tried everything I could think of and I'd failed to save the club.

The clinic kids, dismayed by the news, tried something, too. They got up a petition, and stoutly went from house to house, asking people to sign it. The petition practically begged Andrew Barron to keep the team in Riverwood—and many men refused to put their names to it, probably with the fear that they'd be told to put up or shut up. . . . So the kids got no further than I did, and I guess they felt just as bad. . . .

Tossing about in bed Tuesday night, I felt this failure as a personal indictment. Because I'd been unable to make Andrew Barron change his mind, I was letting down the town, the team, the kids, even the memory of Walter Barron. And I simply couldn't think of anything else to do.

Except, that is, for one last wild fling born out of sheer desperation. Wednesday morning—the day he was coming to buy the club—I telephoned Phil Anderson in Boston. I did my best to talk him into letting the team stay in Riverwood.

"Out of the question," he said.

"If we have a winning team you'll get two-three thousand fans at every game—"

"In Portland I'd get eight to ten thousand. Sorry, friend. I'm in this racket as a business, not a charity. See you this afternoon."

So that idea collapsed, too. . . .

Practice on this Wednesday morning was a spiritless routine; the whole team had lost heart.

At about twenty of four I finally got into my jalopy and drove to Barron's house on Eggers' Hill. I turned into the horseshoe driveway—and there I stepped on the brakes. For a moment I just sat still, staring, not understanding.

About 200 of my clinic kids were gathered on the lawn.

They weren't noisy. They couldn't have been quieter at a funeral. There they were, the whole mob of them, standing around and waiting. As I walked among them on the way to the steps, they greeted me in a quiet



way, and I rumbled a few heads of hair.

"What's going on?" I asked.

One of them said, "We came over to ask Mr. Barron for the last time to keep the team in Riverwood."

Another boy added in a glum tone, "He just listened, then went in. Didn't say a word."

I looked over the crowd of youngsters, and something clogged my throat. Never before had I seen such a sad, discouraged lot of kids. Their eyes were hopeless. I wanted to cheer them, but there was nothing to say.

I WENT into the house and found Andrew Barron in the living room, looking out of the window. When he turned to me I saw the strain in his face.

"Tom," he said, "those kids. Those kids. . . I—I just can't *take* the way they look at me. As if they're—*praying*—"

I glanced out of the window. He was right. That was what had given me the choked feeling out there—the prayer in the kids' eyes. If you've ever seen the face of a broken-spirited boy you'll understand what I mean.

I bit my lip. "Anderson late?" I asked.

"It—doesn't matter." Barron was still staring at the kids. He drew a deep breath. "Didn't—didn't fully realize how much the team means to them. . ."

I said, "I tried to tell you—"

"Sure. But you didn't tell me what it would feel like to walk through the streets of Riverwood and see the reproach in the eyes of every boy I pass—as if I'd taken something away from them all." He paused. "And you didn't tell me what a rotten memorial it would be to my brother—breaking down what he'd built up over five years. . . I—I don't think I could stand seeing it that way. Not at any price."

I sat down. I had to. In a way it was funny—me trying every idea I could think of to sway Barron, and failing with them all; and then having a two-year-old idea like the clinic come to bat for me in a ninth inning pinch. . .

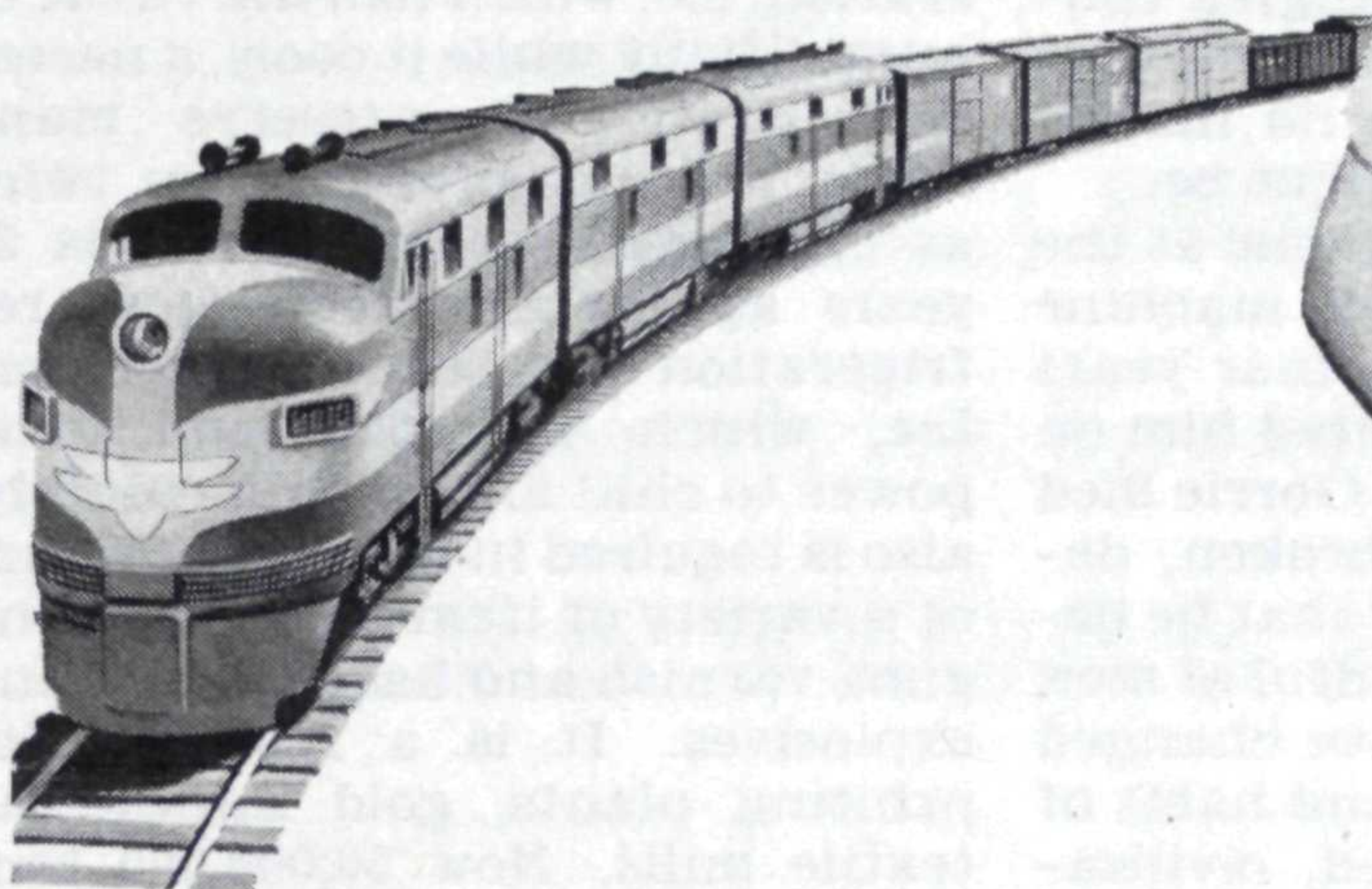
"Tell—tell the kids I'll *keep* the team for them, Tom," Barron said. "And—there's something you'll have to do for me, too."

"Anything," I said in a hoarse voice. "Anything at all. Just name what you want."

"You'll have to teach me to like baseball \$50,000 worth."

"Come watch the kids at their clinics," I said. "They'll teach you better than I can."

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Before World War II, railroad freight charges represented only a small fraction of the cost of most things you buy.

At the end of the war, freight rates were no higher than when war began. It was not until 1946, after prices in general had gone up almost 50 per cent, that the first postwar increase in freight rates was made.

And the total increase in freight rates has been less than half the rise in prices generally.

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# ACORNS OF INDUSTRY



## Manufactured Ice

**A** CRANK in Apalachicola, Fla., claims he can make ice as good as Almighty God."

These words, written by a newspaper editor, were typical of the reaction that greeted the news 100 years ago that a newfangled contraption had come into being that could manufacture ice no matter how hot the weather might be.

So scornful was the public at the notion that a man-made machine could produce ice that, four years after a patent was granted him on his invention, Dr. John Gorrie died in bitter seclusion, a broken, depressed man—unaware that he belonged to the small handful of men who fundamentally have changed for the better the life and habit of Americans—and, indeed, civilization as a whole—for all time.

If it weren't for John Gorrie and the little machine of his that was scoffed at so roundly, only a comparatively few people in this country would be able to eat fish today. Without artificially created ice, the fish industry would be confined to a few coastal towns instead of being a nationwide 1,000,000,000 pounds-a-year business. Nor would fresh vegetables and fruit be available in such a variety so frequently

to so many people—98 per cent of the perishable produce in this country is brought to the ultimate consumer under ice.

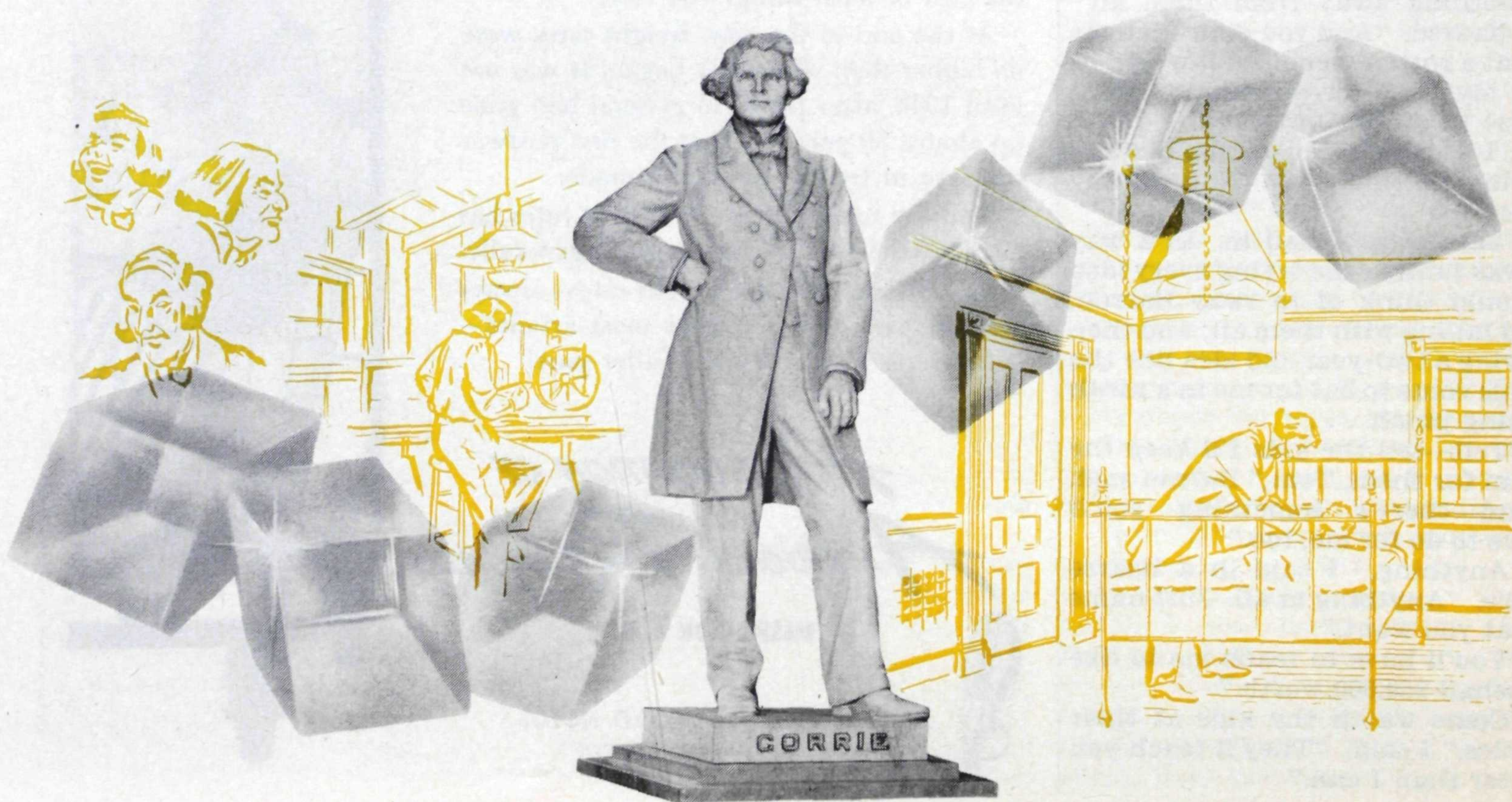
And, far from being on its way out because of mechanical refrigeration, ice, which has the virtue of humidifying while it cools, a necessary quality to preserve many foods, is being produced on twice as big a scale today as it was 25 years ago, when mechanical refrigeration first began to catch on. Ice, which has the additional power to chill almost immediately, also is required in the manufacture of a variety of items from chewing gum, varnish and hats to glues and explosives. It is a requisite for printing plants, gold mines and textile mills. Now 50,000,000 tons of ice are created by machine in this country every year, enough to load six trains reaching from San Francisco to New York.

But Dr. Gorrie—the man who started this great basic industry that was to make such a difference in the woof and warp of America's commerce and eating habits—had only one thing in mind when he thought up his ice-making contraption: to alleviate the suffering of his patients.

Although this doctor's stature seems to grow larger in the fabric of America's greatness with each passing decade, a considerable element of mystery still hovers about him. Gorrie's ancestry is still unknown, though the best guess seems to be that his father was Scotch-Irish, his mother, Spanish. It isn't even known for sure where he was born, the indications being that it was either in the West Indies, South Carolina or on a ship traveling the waters between these two places.

At any rate, it is known that he spent his boyhood around Columbia, S. C., and that, without too much means, entered the College of Physicians and Surgeons in New York. Because of his brilliant academic record, arrangements were made for him to finish his studies when his funds ran out.

Dr. Gorrie went back to South Carolina to practice medicine, setting out his shingle in the Abbeville vicinity. He soon achieved an excellent reputation, and became an intimate friend of John Calhoun, the fiery southern statesman. But Dr. Gorrie found himself becoming more and more interested in malaria and yellow fever





patients. One of the major problems of the Port of Apalachicola, Fla., was these twin scourges and, through Calhoun, he was commissioned medical officer in charge of the United States Marine Hospital there.

Dr. Gorrie found time to serve as a director of two banks, to start up a church and a hospital for the indigent and to act as an official of the town, but he made his first big dent on history with his discovery that as air temperature dropped, his patients' fevers also were lowered. It appeared, however, to be only a tantalizing piece of knowledge—for how could you keep the temperature lowered in that naturally year-around hot climate?

But, convinced he was now on the track of licking the fever pestilences, he persevered in his determination to do something about it. Natural ice was expensive and by no means dependable, as far as the country as a whole was concerned—you never knew when the next shipload from northern lakes and streams would be coming your way.

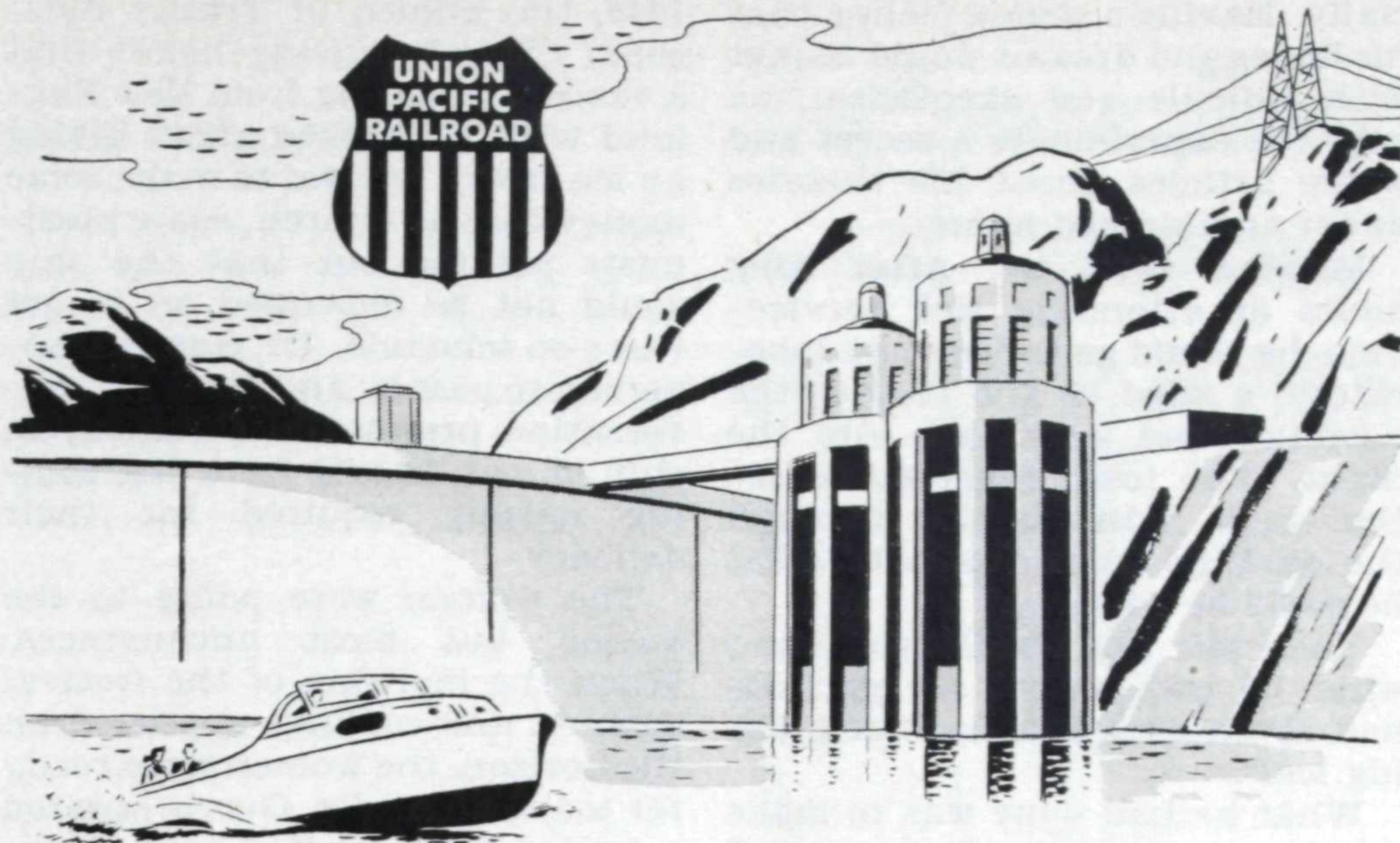
With the little ice available to him, Dr. Gorrie did a strange thing. He suspended a large container of the ice from the ceiling and, directly over this, built a funnel-like hood and attached it to a stovepipe, which was run through the

"Guard all the freedoms of democracy as you guard your life, and never forget that to abuse them is to destroy them. Don't ask government to do anything you can do for yourself, and remember the bigger the government, the smaller the people."

—Mrs. H. C. Houghton

ceiling into the chimney. To create a draft, doors and windows were kept closed and a small opening made in the wall near the floor. Air was sucked through the pipe and passed over the ice—since cooler air is heavier, it descended to the floor and passed out the small opening in the wall. This meant a cooler room and much relieved yellow fever and malaria patients.

Well, so far, so good—if only he could have all the ice he needed. He had learned quite a bit about compressed air while working out his air-conditioning system and now set about discovering a method for producing ice artifi-



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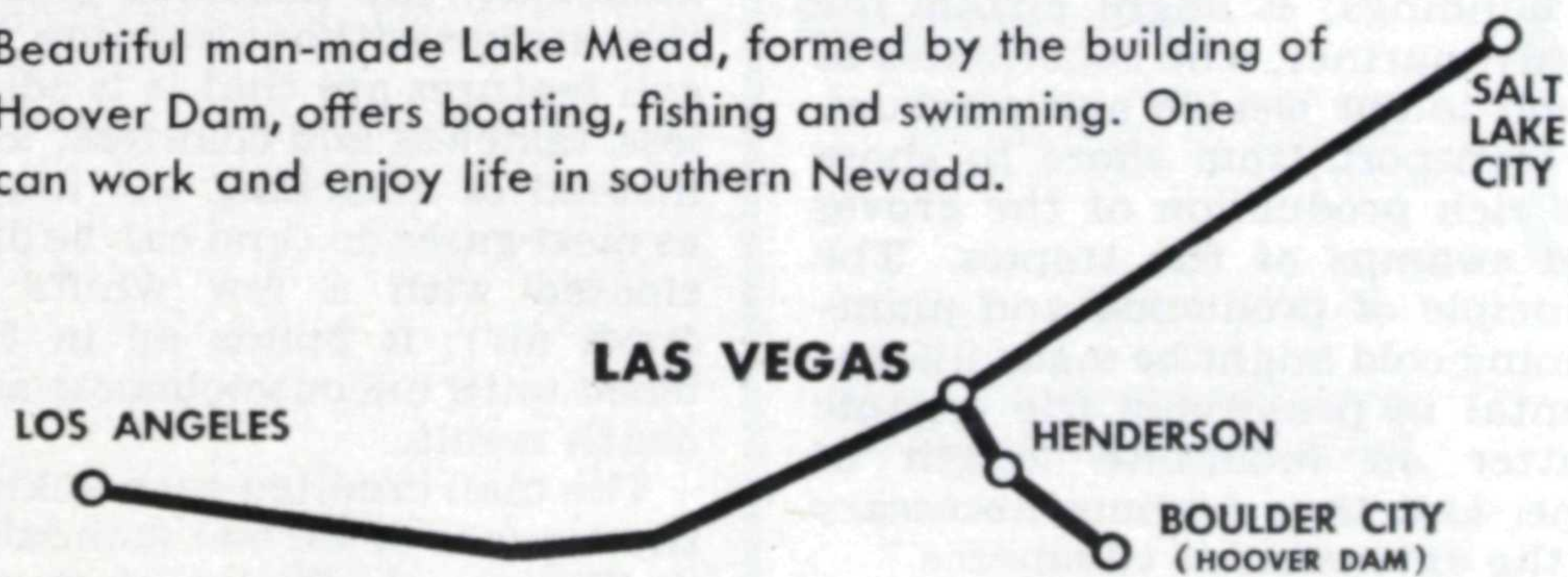
The great generators of Hoover Dam provide adequate electric power for industries locating in this fast-growing southern Nevada territory. Located midway between the coast and inter-mountain areas, it is well situated for warehousing, manufacturing and processing. There are neither state income nor state sales taxes.

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cially. Having a strong feeling that his hopes and dreams would be met with ridicule and skepticism, he kept his experiments a secret and wrote articles about his theories under an assumed name.

Months went by. After long hours of attending sick servicemen, he would go to his small laboratory, a shed in the rear of the hospital, and work late into the night. The town folks would see the small light burning through the dark hours and wonder what he could be up to.

Then one day Dr. Gorrie found what he had sought so long: He had invented a machine for making ice!

What he had done was to make a pump to compress air in a small chamber which housed a container of water. After compression, the air was forced to expand rapidly to absorb heat from the water. Since cold is nothing more than the absence of heat, the water, even in the hot temperatures of Florida, had turned to ice!

The first ice-making machine was small—but not John Gorrie's vision. He saw ice plants being constructed throughout the country bringing better health and improved living to people everywhere.

This "cold-making prophet" from America's southernmost portion of geography also foresaw the cold storage and even today's current rage, the deep freeze. In an article on "The Nature of Malaria, and the Prevention of Its Morbid Agency," he said:

"There are other advantages to be derived from the generation of a cool dry air within the building—equally applicable to ships as well as buildings; it might enable the hardy mariner, who contributes so much to our wealth and pleasure, to transport from shore to shore the rich production of the groves and swamps of the tropics. The principle of producing and maintaining cold might be made instrumental in preserving the organic matter an indefinite length of time, and thus become necessary to the extension of commerce."

At first Gorrie used his newly produced ice only to relieve the suffering of his patients. Then he set out to spread his invention and bring a more comfortable way of life to America. No longer, he was determined, would ice be a luxury for the wealthy, but would be something that would redound to the benefit of all.

Even Dr. Gorrie's friends and neighbors in Apalachicola were somewhat skeptical at first about his ice-making machine. When, in

1846, the women of Trinity Episcopal Church, having heard that a vessel was sailing from New England with ice, talked about giving an ice cream festival to make some money for the church, some pessimists pointed out that the ship could not be depended on to get there on schedule. Dr. Gorrie, happening to pass by and hear the conversation, promised the women, ice ship or not, they'd have the cooling agency required for their delicacy.

The women were polite to the doctor, but most unconvinced. When the morning of the festival dawned and no ship appeared on the horizon, the women were ready for tears. Then Dr. Gorrie entered—loaded with sardine cans. Making a little bow, he opened one of the cans and triumphantly revealed a lump of ice.

That made John Gorrie a hero in Apalachicola—but he was anything but that as far as the rest of the country was concerned. The underlying notion was that it was

just naturally an absurd notion to attempt to make ice in complete disregard of weather. Newspapers heaped ridicule on him. His friends gradually left him. His debts mounted. He died a lonely, forsaken man, convinced he was a failure.

This man, who perhaps as much as any man in our history brought so much pleasure to so many, still seems to be dogged by his lucklessness.

It is true that the State of Florida has recognized him as the great benefactor he was to this nation by placing his marbeled likeness in the statuary hall of the Capitol of the United States. There is also a statue of him in Apalachicola. But it has been his fate to continue to remain in the shadows of neglect and obscurity as far as the country as a whole is concerned, the country for which this first artificial ice maker did so much toward making it the healthiest and most comfortable in the world.—HAROLD HELFER

## Death to a Killer

**W**ITHIN a short time, one of the world's most dreaded killers will have lost his power to slay. He will have ceased to stalk uncontrolled—even unsuspected—through mines, the cargo holds of ships, the dark places beneath hotels and warehouses, through your car and home.

The killer's name is carbon monoxide, the insidious poison that strikes without warning. Its evil features are that it is odorless, tasteless and colorless; and instead of attacking the lungs, as most gases do (and can be dissipated with a few whiffs of fresh air), it builds up in the blood until unconsciousness and death result.

The man credited with licking the menace of carbon monoxide is William C. Darby of Santa Maria, Calif. He invented a compact machine that registers carbon monoxide accumulatively, exactly as the human body reacts to it. His detector also shows the total amount absorbed (by a human) in a given length of time.

It is so supersensitive that it will record the carbon mon-

oxide fumes given off by a single burning cigarette.

Both visual and audial alarm signals are used. When actuated by carbon monoxide, the machine will flash lights, sound horns, ring bells, or what have you.

The possible uses of this detector are almost unlimited. Mine owners, ship line operators, hotel and apartment house chains, auto and airplane builders and even railroads, all are reputedly interested in the invention.

The machine can be used anywhere, and its signals be placed at remote locations. In an automobile, for instance, a tiny model can be placed under the instrument panel and a red light used to indicate presence of carbon monoxide. The signal would be given in time for a window to be opened. This applies to airplanes, too.

The machine has been praised by safety councils and insurance companies. Eventually it may become a "must" to humanity in all parts of the world.

—ROBERT M. HYATT



## How Safe Are Your Records?

(Continued from page 39)

cations based on the fire-endurance tests. Four-hour safes, which bear the Underwriters Laboratories' Class A seal, are designed for severe fire conditions; statistics show that 94.6 per cent of records stored in such safes have been preserved. The Class B, or two-hour safe, is designed for moderate fire conditions; its percentage of record preservation is 80.5. The Class C job, designed for light fire conditions, shows a record of 66.1 per cent of records preserved.

Any fire-resistive safe built prior to 1917 is obsolete, either because of deterioration or deficient construction and design. Such old safes were never tested and rated.

Protection of cash and negotiable paper takes the business and professional man into the realm of burglarproof and theftproof safes. These containers feature strength rather than insulation and so are not satisfactory for the complete protection of valuable records. A burglary-resistive safe differs from a theft-resistive one in that it is designed to resist tools, torches and explosives, whereas the theft-resistive container offers protection, through such devices as double and automatic locks, in the event that threat or force is used against its custodian.

FOR more than a century now, safe manufacturers have been outsmarting burglars. Prior to 1850, safes were equipped with key locks. The burglars learned to pick the locks. Combination locks were invented. Then the burglars forced custodians of safes to divulge combinations. Time-locking devices overcame such illegal force. The outlaws began to blow the safes.

By 1890 the safe manufacturers countered explosives with heavy manganese steel. The burglars devised the oxyacetylene torch. Now torch-resistive linings have been installed.

But burglary protection is relative. Given sufficient time, opportunity and equipment the burglar is still a menace. The kind of burglary-resistive safe you choose will depend on how much cash you wish to protect, where it will be located, whether a watchman is on the premises, and the efficiency of the police force.

Burglar safes, like fire safes, are subjected to laboratory tests, graded and labeled. They run in

price from a few hundred dollars to about \$1,500. Average-sized safes—with interior measurements of 18 inches high, 18 inches wide and 11½ inches deep—are priced at from about \$500 to \$750. The price differential in safes of the same size arises from relative degrees of protection.

The label on a safe is an important factor in the fixing of the rate of burglary insurance. The better the safe, the lower the insurance rate. Safes with top classification can reduce the burglary rate up to 70 per cent on mercantile premiums and up to 50 per cent on money and securities broad-form premiums.

Any program of record protection being planned today is something less than realistic if the possibility of an atom bomb attack is not at least considered. The vaults of the Teikoku Bank in Hiroshima, Japan, which had been constructed by the Mosler Safe Company of New York, stood up solidly amid the devastation of the atom bomb attack in 1945. Many big firms are, therefore, ordering custom-built vault equipment.

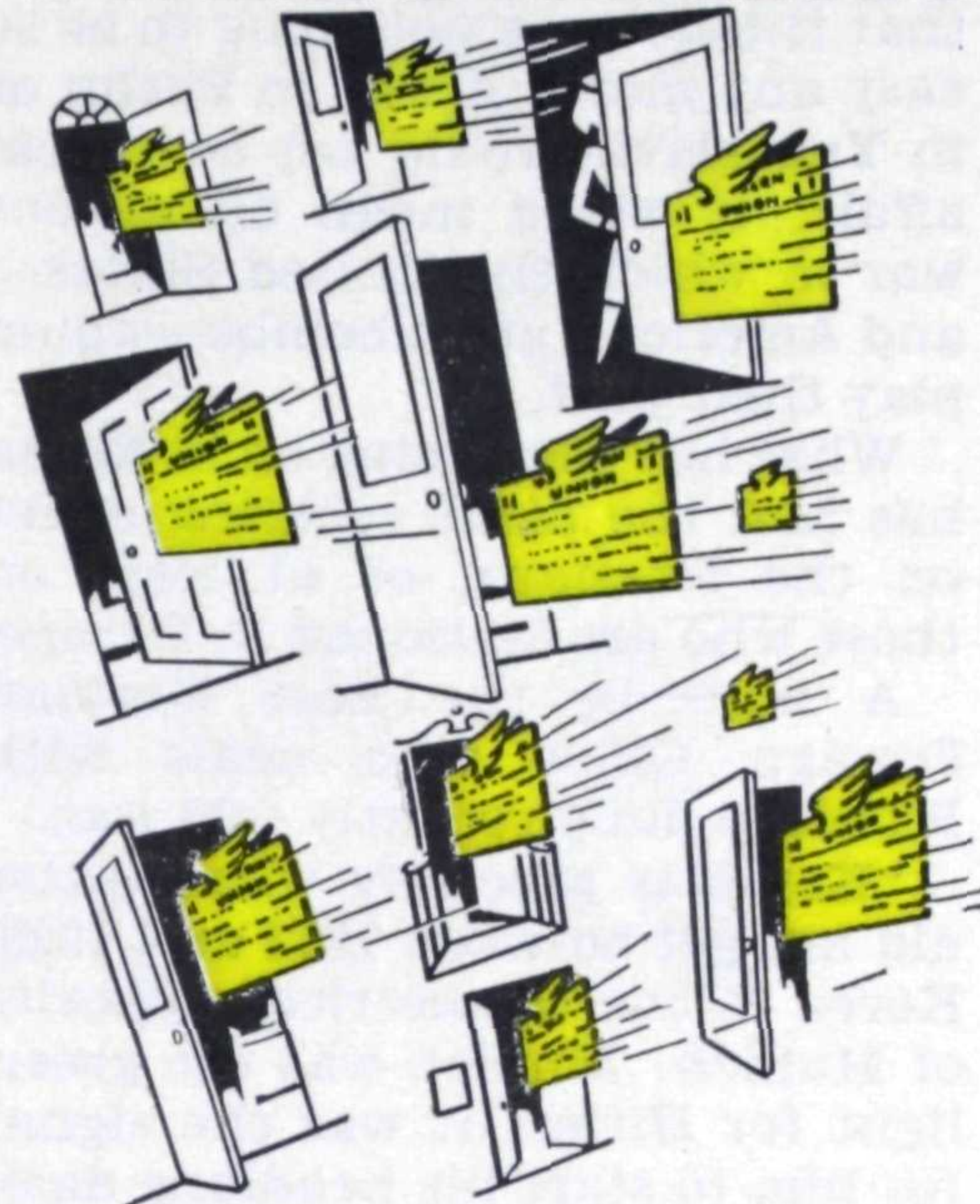
The average bank already has bombproof equipment. Many business men are turning to bank vaults for partial protection.

Rental of bank-vault space runs high, compared to the cost of a safe, but microfilming solves the problem in many instances. Microfilming can effect savings in space, often up to 98 per cent. It has the added virtue of being comparatively inexpensive.

Generally speaking, it is a safer bet to store microfilm in a bank vault than in a fire-resistive safe. While paper is safe up to 350 degrees, tests show that microfilm warps or shrinks when exposed for an extended period to temperatures of between 225 and 275 degrees in the presence of steam or for a short period in a dry temperature of 300 degrees.

The problem of protection of records is often one that calls for the knowledge and experience of a safe specialist. He will make certain that the safe you buy is large enough to take care of your foreseeable future needs. He can advise you on what to keep on the premises and what to keep it in, what to microfilm or photostat, and where to store it. Your safe expert is a safe man to know, especially in these unsafe times.

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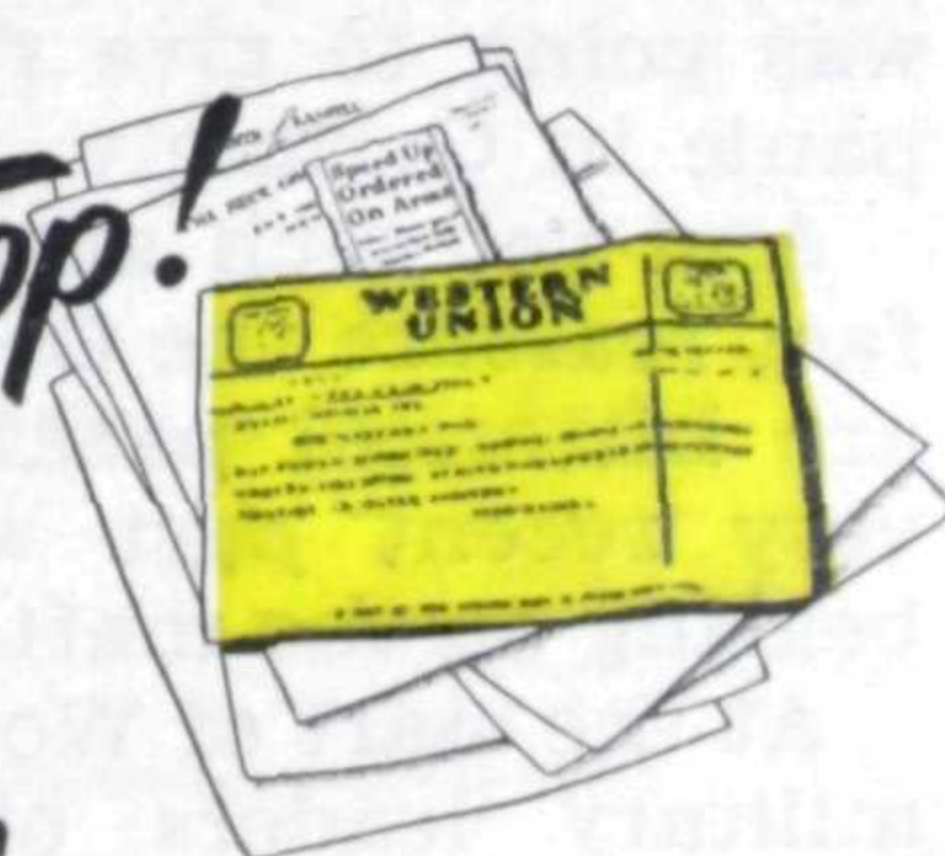
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## Europe: Red Bear Trap

(Continued from page 36)

tain that a world war would follow.

In other words, in the cases of Berlin and Tito those bellicose young Russian officers found out that things were not going to be so easy any more. A war in Berlin or in Yugoslavia would not be a local affair; it would mean an all-out war in which the United States—and American atom bombs—would play their part.

What has been going on in Korea has had the same sobering effect on the Russians, or at least on those who are stationed in Europe.

A man in the East German Foreign Office who deals with Russians daily recently told me:

"Korea is precisely what Hitler did not get between 1933 and 1939. Korea is the diametrical opposite of Munich. Munich was the green light for Hitler; it was the signal for him to start his headlong dash into war. Korea is the red light."

It is of course still possible, though hardly likely, that the Soviet Union will drive right through the red light and march against the West. Initial resistance would still be small, although it would begin back of the Rhine rather than back of the Pyrenees. Nevertheless, the Russians would win the first round.

What sort of resistance could be put up east of the Rhine at present, "Blowing up our bridges will not stop the Russians," the mayor of the city of Würzburg told me; he had just delivered blueprints of the bridges to the U. S. Army authorities—under protest. As a matter of fact, he is right.

**D**URING the last phases of the war the Germans tried to stop the American Seventh Army by blowing up bridges across rivers several hundred feet wide. The Seventh Army was held up—for an hour or two. The Germans are indignant because the bridges have been mined; they grumble about American "violent methods." In fact, it looked for a time as though the careful mining of German bridges was going to give rise to general panic in Germany.

And yet such actions should in fact reassure the Germans. There are historical parallels from the very recent past which have a bearing on the matter.

At the start of World War II the military leaders of Switzerland knew that their country could not

put up a very long defense against a German invasion. Nevertheless they mined their bridges and tunnels and informed Berlin that the moment the Germans invaded their country the Simplon and St. Gotthard tunnels would be blown up. Destruction of these tunnels would have deprived the Nazis of the vital rail connection between Germany and Italy.

Today we know from documents found among the archives of the German general staff that Hitler finally decided not to undertake the conquest of Switzerland because it would have cost him more than it was worth.

**T**HEN there is the parallel case of the Finns, who have been able to resist the Russians up to now.

The Swiss parallel can be carried still further. When I asked John J. McCloy, the American high commissioner in Germany, how the Germans themselves could help defend their country against the Russians, he declared:

"Recent history shows that the countries which fall prey soonest to dictators and aggressors are countries which are not sure of themselves, which are internally disunited. The example of Switzerland in the last world war shows that even a small and relatively weak country can be defended by the determination of its citizens to preserve their freedom under any and all circumstances. And of course the whole world will rush to the aid of such a country. If the Germans are determined to remain free, if they make their country a free nation in a free world, any totalitarian power will think twice before attacking Germany!"

General Ganeval, who is now the security officer of the French high commissioner in Germany and who was until about a year ago the commanding French general in Berlin, reminded me of a conversation we had during the Berlin blockade.

At that time he said:

"If the people of Berlin succumb to the communist propaganda story that the Allies are going to abandon Berlin, the Russians will have won." Now, three years later, he added to that remark: "It isn't always so that planes and tanks alone count. In fact, always and everywhere men count for far more. We were able to keep Berliners from going hungry by means

of our airlift. But against their will we could never have kept them from being swallowed up by the Soviet Union. For them to be saved as they were, they had to believe in democracy and liberty."

The correctness of Ganeval's argument, and of McCloy's, is demonstrated by the fact that the war broke out in Korea, not Berlin. The morale of a population whose only weapon is belief in liberty and independence is also a red light.

If the Soviet Union should drive through this red light she would be occupying a continent containing several hundred million foes and hardly any friends. What about the Communists? The examples of Czechoslovakia and East Germany have proved that the number of fanatical Communists steadily diminishes wherever the Red Army establishes itself. Communism flourishes where the people know the Russians only from hearsay.

The potency of a population hostile to the Russians should not be underestimated. What happened in Hitler-occupied Europe from 1940 to 1944—and above all what did not happen—amply demonstrated the limits of the so-called underground. A hostile population can at best work badly, practice occasional sabotage and in the main supply the West, that is, Great Britain and ourselves, with intelligence.

**B**UT THERE is in addition a factor whose effect is rather indefinite at the beginning, but which becomes increasingly important with the passage of time. That factor is this: that an occupation of all Europe would create an extremely unnatural situation, just as Hitler's occupation of Europe did.

The peoples of Europe simply do not want to be ruled by one man, whether his name be Napoleon, Hitler or Stalin. Such a man can gain control by a surprise coup or by a temporary supremacy in planes and other weapons. But how long can he hold it? How long can a single man hold in check ten or 20 men inside a room, even if they are unarmed and he possesses a machine gun? One hour? Ten hours?

How long is it before he grows tired, or his attention slackens, or he is forced to eat?

An hour in history can mean several years, of course. The first round, three minutes in the boxing ring, lasted two years in the case of Hitler.

Not only is the occupation of Europe by the Russians "unnat-



ural," but its advantages are also more apparent than real. Of course Moscow could establish Communism in Europe at least temporarily.

But the industrial treasures of Lorraine and the Ruhr are at the moment far more important to the Politburo, and these the Russians could hardly hope to capture intact. The American Army would certainly see to that.

As yet steel is one of the vital war materials that the Soviet Union cannot produce in anything like sufficient quantity. Nor is it likely that the Russians have any illusions about finding vast quantities of American oil stored in western Europe, although they badly need oil to supplement their own meager stocks.

**I**T THEREFORE appears fairly certain that the Soviet Union will not occupy Europe for economic reasons. There is only one other good reason for a dictatorship to start a war—the fact that internal conditions make a victory abroad seem necessary.

The Soviet Union is not yet in a position where it can quiet dissatisfaction at home only by some triumph in foreign lands.

For a time after the end of World War II and up to the beginning of the Berlin blockade it was possible to imagine one other reason for war: the possibility that dictators can become megalomaniac, as Hitler certainly did.

But there is no evidence that Stalin has become a megalomaniac and much evidence that he and the other members of the Politburo are far superior to the Nazis in intelligence. Above all, he watched Hitler's downfall from a ringside seat; he saw what happened to Hitler just four years after his "unnatural" victory; and he saw that it is possible to win the first round and lose the war.

This experience is likely to guide the future course of Stalin and the leading men of the Soviet Union. It undoubtedly has more influence on their views than all the loud roars of Soviet emissaries. In fact, there are indications that the louder the Kremlin barks at international conferences and the more arrogant and insulting the various deputy foreign ministers behave, the more determined the Soviet Union really is not even to fight the first round.

This determination grows stronger as American rearmament increases the probability that the first round would be followed by a second.



**Remember?** It was earphones or nothing (for most of us) in radio's younger days. And lucky was the person who could tune out the squealing and the squalling that seemed to haunt the air waves.

Things like that are always fun to talk about. But who'd want to swap a new set for one from the good old days? There'd be few takers—if any. We're too sold on the blessings of progress to go for such a deal.

And we're too sold on progress to want to live in a community that hasn't changed since radio's headset days. However, streets don't suddenly get safer, playgrounds pop up from vacant lots or schools improve themselves. Such improvements are made because civic minded citizens do something about them.

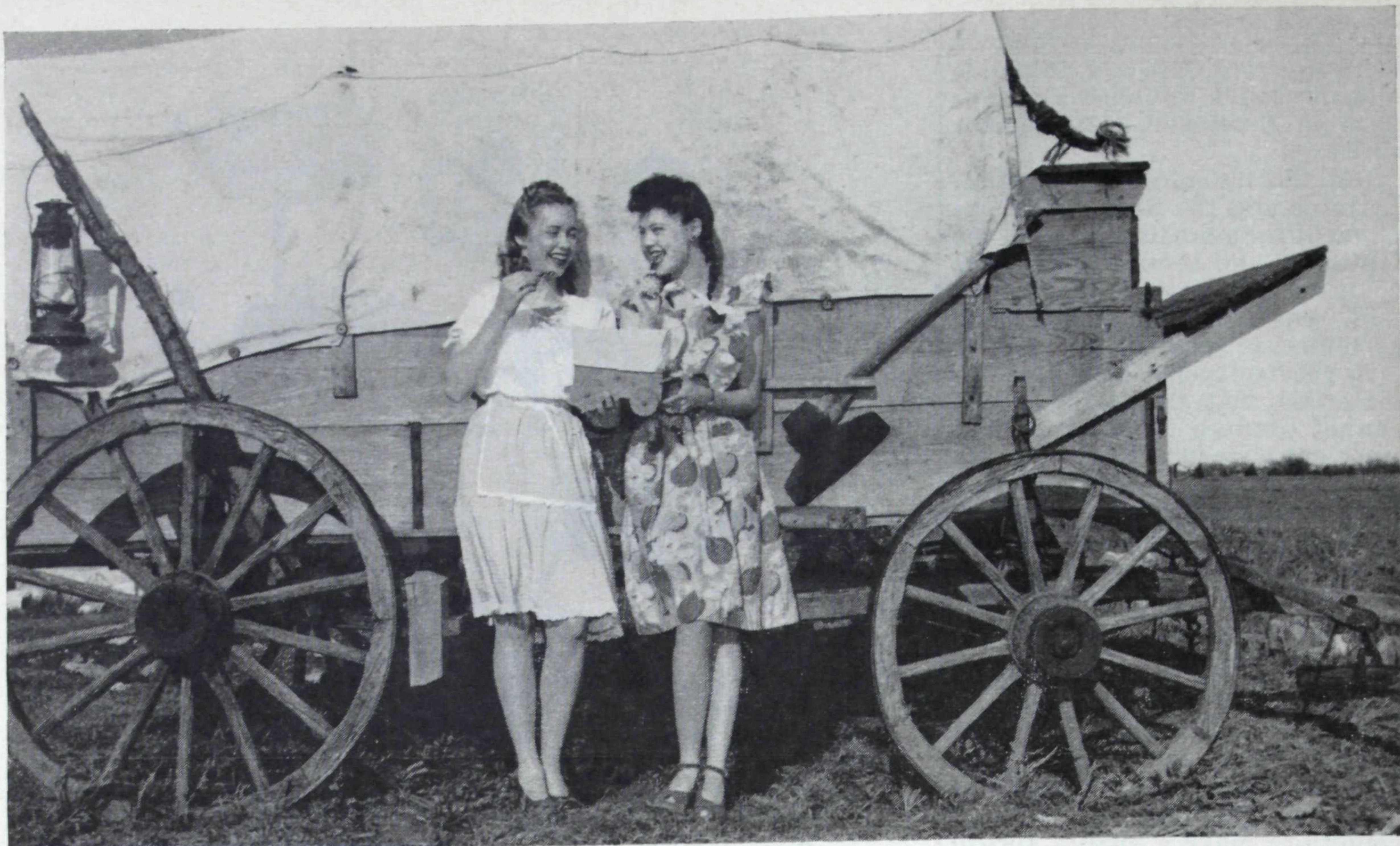
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The front yard of Joe Myers' ranch-style factory is graced with this old covered wagon

Among the company's unusual candies is a taffy that doesn't stick to dental plates

# Candy Man From Texas

By ELISE MILLER DAVIS

UNTIL 1940 Joe Franklin Myers had never been in the candy business, and surely never dreamed of some day being called creator of the world's most unusual candies. A retired hosiery manufacturer, seriously handicapped by a World War I injury, he took over a broken-down candy factory merely to help out a friend and try to save the jobs of 50 people he didn't know. Before he knew what he had gotten into, he had turned over a new leaf in an old industry.

Today Joe makes a special candy for diabetics, an Energy Sticklet guaranteed to be nonfattening for those on reducing diets, and a chocolate mint minus salt and other offenders for persons suffering from high blood pressure. He also has an orange juice taper designed to absorb saliva and thus end the sticky - face days of toddlers.

Instead of mere candies, Joe calls his confections wholesome

energy-giving foods and puts them up in unique containers ranging from toy wooden cradles to pottery liquor jugs. Last year his sales, to 8,000 key stores across the country, passed the \$1,000,000 mark, with a hundred items including vitamin-enriched Swoon Sticks in ice cream soda flavors, Ginger Ale Tapers that actually make your nose tingle, and Lip Sticks in several shades of red for ladies-to-be.

As the president of a large department store put it, "Joe's candies could be the cooperative product of Rube Goldberg, Grandma Moses and Parke, Davis. By way of purity, imagination and beauty, he's made an aristocrat out of the candy industry's poor relation."

But Myers' rehabilitation work doesn't stop with the candy business. Among the hundred employees at his ranch-style factory on the outskirts of Dallas, Texas, there are many handicapped people, who were once termed un-





employable. Myers' secretary admits she almost quit the day her boss put Carlita Lewis, a 23-year-old girl with paralyzed hands, to the seemingly impossible task of wrapping candies. When it became evident that the job had given Carlita not only a livelihood but a therapy helpful to her condition, Myers beamed, "My mother told me there'd be days like this!"

Once as a child, Joe, youngest of a brood of five, tearfully complained of getting only wrecked toys and made-over clothes. "You can find great happiness, son," his mother promised, "in taking things nobody else wants and proving they're good."

**S**UCH philosophy recently helped save a child's life. It came about when a weary nurse complained of a little boy in a charity ward who was refusing all fluids. "This poor kid got hold of some kerosene and drank it," she explained, "and now he goes into a panic even at the sight of water. If he keeps on dehydrating himself, he'll die, Mr. Myers. What would you do?"

Joe didn't know. But, 19 hours later, he emerged from his laboratory waving the answer, a slow-melting sugar stick just like an ordinary soda straw. And it tasted delicious along with a drink. The kerosene-burned child was so enchanted he soon forgot his fear of liquids. Joe named his triumph *The Last Straw*.

Tall, slender, 57-year-old Myers has gray hair, serious brown eyes and speaks in nasal monotones. He neither drinks nor smokes ("Heavens, I hardly have time to *eat!*") and looks like a dignified professor.

"The man is a paradox," the superintendent of a Dallas orphanage once declared. "How else could such a great humanitarian be such an ordained salesman?" The superintendent knew from experience. It hadn't been long since he'd approached Myers about purchasing 500 boxes of candy for a celebration at his institution. "I'll have to have something inexpensive, Myers. Our budget, you know."

That was a cue for Joe. Had the gentleman never heard that Joe Franklin Myers manufactured only quality merchandise at quality prices? Did he have any idea of the cost of hand-rolled, hand-spun, hand-packed candies, containing only pure ingredients and true flavors, compared with that of, say, peppermints which do little more than freeze the taste buds?

Escorting the superintendent to the children's division, Myers brought out oversized nursery

blocks, toy freight trains, miniature circus tents and barns—containers whose hollow centers were filled with pastel stick candies such as Vitamin-Custard Twisticks, made from the ingredients of vitamin-enriched egg custard, and Alphabet Mints, vitamin-enriched candy letters.

As the superintendent picked up a small wooden log cabin and munched its Log Cabin Rolls, nut-sprinkled caramels with streaked cream centers, Myers quipped, "Don't look now, but among other things you're getting enriched whole milk, calcium, iron, dehydrated carrots, sweet potatoes and soy beans!"

Urging his visitor to sample dozens of strange concoctions as they passed through the spotless apple-green kitchens, Joe displayed colorful acetate boxes which he introduced and yards of ribbons, decorated with cattle brands, cowboys and nursery rhymes. Didn't the superintendent realize beauty could do as much for a child's soul as purity could do for his stomach?

Full to the brim, exhausted and a bit ashamed, the superintendent fell into a chair. "O.K., Myers, you win. You do the selecting. I'll manage the budget. But how much do you think 500 boxes will come to?"

Joe laughed outright. "You should know, sir, I never *sell* my candies to an orphanage. On your way out, just give my secretary the date you want the gift delivered." Dismissing the astonished man with a pat on the shoulder, Myers added, "And give my love to all 500 of the children."

**L**AST year Joe gave away \$10,000 in candy alone. "How can I charge Parent-Teachers Associations, church organizations, hospitals, homes for the aged? *They* aren't trying to make money!"

Because he's found endless the need for doing good and, according to Texas standards, actually isn't a wealthy man, Joe never leaves a sugar lump unturned to increase profits. He never stops just because an immediate problem is solved. Take for example, *The Last Straw*. As you read this, his chocolate flavored candy straws are being used from coast to coast to sip up everything from milk to castor oil. Cokes are tasting like Cuba Libres through those he flavored with real rum and lime juice. Sugar straws made with fresh lemons are being dunked in iced tea. At election time, they were packaged in assorted flavors, called *Straw Votes*.

Member of a large, poor family in Palestine, Texas, Joe had a suc-

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H-26





Myers, on the truck, who now sells to 8,000 stores, was the first candy manufacturer to take to the air

cessful business history by the time he reached eight: newspaper route, magazine subscriptions, shoeshine box and a stand selling lemonade, which, to the delight of his customers, he colored every hue his mother's pantry provided.

Finishing high school at 16, Joe took over a "dead" middy blouse line his traveling salesman uncle was discarding. In six months, Joe too was turning it back. Reason: the garments were selling too fast; he'd be responsible for making all women look alike. "I'd just as soon be guilty," he wrote his puzzled firm, "of making them all think alike!"

He next tried his hand at another slow line of his uncle's—flannelette nightgowns. Joe persuaded the manufacturers to dye their drab fabrics attractive colors, then further glamorize with ribbon. As a result, by adding only a few cents to the original cost, nighties previously difficult to sell at 98 cents went like hotcakes at \$1.98. It wasn't long before Joe was carrying a complete line of lingerie.

From ladies' underwear Joe went abruptly to grooming horses. World War I had begun and he enlisted. Shrapnel practically made hash of his right arm in the Battle of the Argonne but later he served with the Army of Occupation in Germany.

Released from service, Myers

joined a group of Philadelphia friends manufacturing ladies' hosiery and was instrumental in furthering such innovations as sun-tan shades and chiffon weights. As his firm weathered the depression, Joe began to think at long last he was set for life when suddenly a serious bone ailment developed in his war-torn arm. A group of eminent surgeons advised immediate amputation. Another promised slim hope with a series of operations. At his wife's insistence, Joe disposed of his Philadelphia interests and chose the uncertain course.

Wearing a heavy metal brace, during a waiting period between operations, Joe was pacing the floor like a caged animal one day at the home of Dallas relatives when he was visited by a longtime family friend, a Paris, Tex., banker. It finally came out that the banker sought help with a small candy factory that owed creditors \$100,000. Ill and discouraged, Joe shook his head. But the banker knew a good Joe when he saw one.

"Look at it this way, Myers. Your merchandising experience and aggressive thinking might save the jobs of 50 desperate people. Most of them are old and don't know how to do anything else. They'll be on charity."

The next morning Joe rode the

hundred miles to Paris. He was appalled at what he found. Employees' salaries ranged from \$150 to \$600 a year. Filthy, antiquated machinery turned out candies made of substitutes and preservatives injurious to delicate stomach tissues.

Back in Dallas, Joe couldn't sleep that night. Toward morning, his wife accused gently, "It's not only the poor employees you're worrying about, Joe. It's the kids who eat those candies. Go on and help out there awhile."

"But I don't know whether I'm strong enough. I've got to have another operation soon."

"Work won't hurt you as much as worry, Joe. Remember what your mother said about finding happiness?"

In Paris the next day Joe took off his hat to stay awhile. Calling employees together, he admitted he knew nothing of candy making, asked help and cooperation. He raised salaries, shortened hours, junked machinery. And because there was no money to buy more, he made a quick decision, "We'll make 'em by hand!" Then he set out for new customers.

"Might as well start at the top," mused Joe and headed straight for Neiman-Marcus, famous Dallas specialty store. Entering Stanley Marcus' office, Joe saw a wealth of articles in odd shades of yellow and blue—everything from drapery fabrics to ladies' gloves dyed identical colors—for one of the store's unusual promotion schemes.

"How about candies to match all this?" Never one to turn down the possibility of a good stunt, Marcus handed Joe two samples of cloth and snapped, "I challenge you to the match!"

"I still don't know how it happened," Joe admits, "but after nightmares and miracles I met the deadline with sugar sticks in the exact shades of yellow and blue, made with fresh lemons and frozen blueberries."

Word of the successful stunt spread. Orders started trickling in. And other novel ideas began to flow from Joe's brain in a stream. His employees caught the spirit and sparkle came to their dull eyes as they carried on with Mrs. Myers during the weeks Joe was hospitalized. By the end of a year the business was in running order and the amazed creditors talked Joe into buying it.

Three months later the factory burned down, leaving Joe \$40,000 in the red on the deal!

Calling a meeting of employees, Joe distributed checks covering



two weeks' wages, written from his personal savings, and bade them good-by. Adversity seemed too much for him. Besides the need for more surgery on his arm, he'd just learned of a growth in his throat which had to be removed. He would be unable to use his voice for months.

But the employees had speeches, too. Some argued angrily, others wept. Never before had they had such working conditions, hours, pay. They liked him and they liked their jobs. They would do the commuting if he'd open a factory in Dallas. As emotion mounted, the workers trooped past Joe, stuffing his pockets with their notice checks. And Joe could think of only one thing—surely he would have done more harm than good, giving these people a taste of well-being, then abandoning them. He had to go on.

**E**IGHT weeks after a makeshift factory opened, a flash flood wiped it out.

Undaunted, Myers and his employees located another dilapidated building. The Monday morning after they'd finished cleaning, whitewashing and moving in, Joe arrived early to be faced with the incredible sight of raw sewage, results of a nearby broken line, sweeping the plant.

Just recovering from his throat operation, Joe locked the door from the outside and stuck up a note to his employees: "The end, my friends. This time we are surrendering to 'The Powers That Be!'"

But Joe's surrender was as odd as his candies. He and his wife sat up all night drawing plans for a modern, adequate factory.

In desperation, Joe got out a \$12,000 life insurance policy, the last semblance of collateral he had, and revisited a banker. Laying the policy on his desk, he cleared his raw throat for the toughest selling job of his life.

Back home, Joe racked his brain for something dramatic, personal and convincing enough to bring forth a loan of \$28,000. While he brushed his teeth that night the idea hit: The banker loved chewy taffy but could no longer eat it because of false teeth. Could he make a taffy that wouldn't stick to dental plates?

After endless days of trial and error, Joe perfected the candy, called Of Course which still is one of his best sellers. And Of Course got the money.

Working out all his own formulas, designing containers and wrappings, acting as president and

salesman, Joe still managed time to dream up startling products. Ninety days after manufacturing started, Joe had sold enough candy to start repaying his loan.

At Myers' factory, with its patio for workers' rest periods and kitchenette for nourishing meals, there are no watchdogs of any kind. "Freedom has to be more than a theory. Who can do a good job with a boss breathing down his neck?"

A sense of freedom is particularly noticeable among Joe's handicapped employees. After a special training program, the disabled are on their own, doing good work, knowing their wages, ranging from \$37.50 to \$100 weekly, aren't mere contributions.

Joe Franklin Myers Industries has never had labor trouble. All employees are guaranteed 52 weeks' pay a year. Besides short vacations following a holiday rush, they get a week off at Christmas and three days for Mother's Day, if they promise to go home. With his two-week summer vacation, each employee is given a bonus.

Intense, determined, Myers keeps expanding. Some months ago he put his first salesmen on the road, began to advertise nationally.

When a rush order came in for some of these new items last Valentine's Day, Joe's employees were vacationing, so he went to his kitchens to fill it himself, leaving an impatient golfing friend waiting in his office. Joe's telephone rang and the friend answered. The relief agency wanted information on a Susie Chilton.

**W**HEN Joe finally appeared, his friend said, "It might interest you to know that you're killing yourself to support a bunch of ingrates. That Chilton woman is at the relief agency, probably using her holiday to chisel money from the state!"

Exhausted, Joe closed his eyes on the picture of Susie Chilton: Deaf and dumb, a gray 60, she'd come less than a month ago, tears in her eyes, a note in her hands, begging for scrubbing, dishwashing, anything. Of course he'd given her a job. With a little patient instruction, a mute could pack candies.

The phone rang again. "I don't know what to do about Susie Chilton, Mr. Myers," the relief agency voice said. "She's down here and won't leave. Now that she has a job she's trying to pay back the state's money."

"Well, let her do it!" Joe cried. Hanging up the phone, he turned to his friend and cried, "My mother told me there'd be days like this!"

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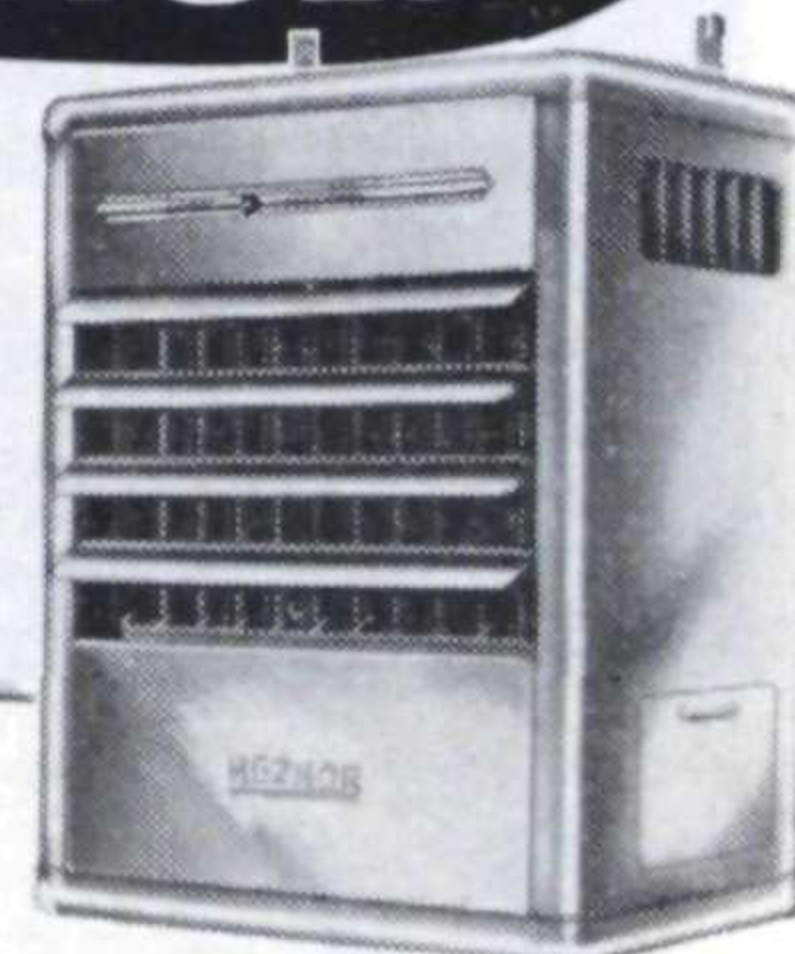
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## Mr. Johnson's Spicy Comeback

(Continued from page 46)

third month, his self-imposed deadline, he took a deep breath and reported to his wife.

"We're in!" he said with pretended glee. "Nothing can stop us now!"

"I'm so happy," she said. "How did you do this month?"

"It's flabbergasting."

"I'm still curious."

"Brace yourself," he said. "We made—\$218.10."

Which was a pittance, of course, compared with former years, but Mrs. Johnson, now converted to her husband's enterprise, caught the spirit and played right along.

The fourth month's income shot up to \$538.96, and in December Johnson took in \$1,349.06. In his second year, 1942, he averaged better than \$3,000 per month.

Then came the blows.

First, fire wrecked his Los Gatos garage. It looked like the end but his insurance provided enough money for a new start. He opened a still larger vinegar plant in Oakland while retaining his San Francisco quarters. Next, governmental restrictions and red tape threatened to strangle his business.

World War II at that time had cut off the importation of an annual 1,600,000 tons of sage to the United States, seasoning much needed in the preparation of sausage and other meat products. After vainly contacting various federal departments, Johnson marched on the Department of Agriculture, reporting the volume of sage he himself was producing and offering to increase his acreage. He explained how he was being hamstrung by the Government that needed his output. The Department saw it his way.

True to his word, Johnson expanded his farms, and has been doing so ever since. Today he operates 30 acres in San Bernardino Valley, 20 in Modesto, another 20 in San Fernando Valley, 12 near San Diego, and six in Los Gatos—California areas whose long, warm summers, he says, pump health and happiness into herbs. While he still buys cinnamon from Saigon, Indo-China, ginger from Jamaica, saffron from Spain, and some other spices from abroad, he grows many herbs which formerly were imported.

The flavoring value of most herbs lies principally in minute oil cells on or near the surface of their

leaves; and if the herbs are not harvested at the right time, sun may explode those delicate piquancy-pockets or winds may injure them, leaving "just so much alfalfa." With herb experts in charge of Johnson's farming operations, he became determined to safeguard flavor all the way to the package. This called for new machinery when, several years ago, he moved out of his first San Francisco location and took over a three-story building there.

With help, the former mechanical engineer perfected machines which would crush and pulverize the dried leaves of herbs without the use of blowers, heat-creating friction or violent agitation. Much of the processing, of course, was—and is—done by hand. Packaging is now mechanized.

Johnson installed his own testing kitchen, a laboratory whose scents mingled with the fragrances of the 106 other items now comprising his line, created a pungency which drifted into the street.

More confident than ever, Johnson set out to stimulate sales. He gave away an average of 800,000 recipe booklets a year. All extolled Spice Islands, of course, but cautioned customers not to overseason their dishes with herbs; a typical Johnson jingle, "A pinch, no more, is enough for four."

Hollywood's popular Brown Derby restaurant became a customer. People of many foreign lands placed orders through some of Johnson's 2,000 outlets.

Still another sales booster is the use of Spice Islands demonstrators. Recently Mr. and Mrs. Johnson encountered one of them doing her stint in a store—and Johnson was shocked to observe her listless manner and her carelessness with his seasonings.

Introducing himself to the young woman, he whipped off his coat, donned her smock and pitched in. The crowd grew. Here was something special—a salad maker who looked as though he belonged behind a banker's desk. He wound up as a big hit that day, but he swears that his salad, when passed out on little paper plates, stole the show.

Later, for the sake of another demonstrator, he summed up his whole philosophy as follows: "Put plenty of pepper into your work—spice it up good—but use those ingredients sparingly on food."



## The Club that Fights for Frontiers

(Continued from page 26)

men in their 30's and early 40's will be invited to meet the Y.P.O. and discuss their problems, but they will appear strictly as guests of the organization.

The Y.P.O.'s nonpartisan attitude toward government restrictions on big and small business was expressed cogently by Martin L. Davey, Jr., the tree expert whose father was a former governor of Ohio.

"To make our criticisms of government policy and practices effective," Davey said, "they should be constructive criticisms, tempered with elements of praise when it is warranted. We certainly do not want to fall into the class of being perpetually sour, reactionary critics such as some other business groups. The public in general is very skeptical of any statements made by business leaders and, from the start, we will be operating under this handicap. I believe we should lean over backward to avoid promoting things that would be to our own selfish interests alone. In

"The best way to teach our young people the meaning of our democratic freedoms is to demonstrate, by our own example, that we have mastered the three R's of citizenship — Rights, Respects and Responsibilities."

—Earl James McGrath

these times, the interests of our country as a whole should come ahead of all other considerations."

McCann-Erickson's Harper, probably the Y.P.O.'s most spectacular beneficiary of the incentive state, is chiefly concerned with the organization's public relations. More pertinently he knows the public is suspicious of any group that purports to speak for big business. Such suspicions can be eliminated gradually, he believes, only by proving to the consumer the sincere contributions of business to the general welfare.

"The secret of good public relations is essentially a fine product and a service that is good for the public," Harper says. "It is best measured by what you deliver, not what you promise. The modern business institution essentially is delivering more personal satisfac-

tion and benefits than ever before. We have a story to tell, a great story.

"You know, the mere fact that we're young is no guarantee of our progressiveness. All of us know men in their 70's and 80's who are more liberal than kids a half-century younger. By the same token, a 20-year-old can be the worst example of a hidebound reactionary. Actually, an organization limited to successful young men is a pretty snobbish concept. Our only justification for existence is to encourage qualifying for it by stimulating freedom of opportunity."

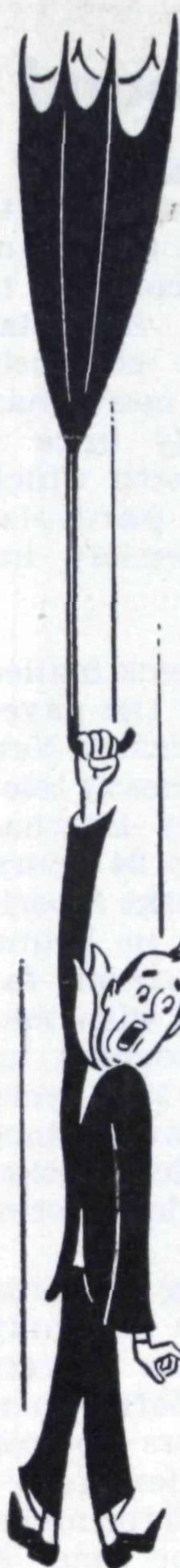
On Feb. 19, the New York chapter turned out to welcome a new brother, Douglas Fairbanks, Jr., 41, who was producing his own films in England as far back as 1934. The boys were there to live and breathe the same air with a movie star, but Fairbanks ditched the glamor to speak of more serious things. Although he occasionally tricks himself out in doublet and buckler to rush to the rescue of a lady with a heaving bosom and big, baby-blue eyes that hold the promise of rewards beyond the dreams of avarice, Fairbanks' chief activities in the last decade have been devoted to 1, the Navy, 2, extensive travel in Europe on special missions for the State Department and the Economic Cooperation Administration.

"There is no need for us in this country to take a defensive stance on behalf of the incentive democratic system," Fairbanks said. "We should promote it aggressively. Business and industrial practices have been so modified and reformed that we now provide the means for necessary security as well as maintain opportunity. The tax rates in this country no longer are abusively low. We have our employment and other social securities. We have learned our obligations to the community.

"In many countries abroad, however, inequities still do exist. To such countries our propaganda should deal concretely with proposals for industrial and land reforms.

"We should show the people of those countries what is offered by the free, democratic incentive system which is, indeed, more revolutionary than Communism."

There was a lot in what Fairbanks said. And it was first said when the republic was young.



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## How Sound Is Your Dollar?

(Continued from page 23)

city," which, to a degree hard to measure, increases the impact of circulating money according to speed of circulation. A dollar changing hands daily obviously affects price levels far more than one getting used only once a month. The rapidity with which bookkeeping dollars in particular get around has immensely increased of recent years.

**T**HIRTY years ago a check mailed from San Francisco for the payee to deposit and draw against in New York took a week, with heavy telegraph charges the only alternative. Air mail does it in 24 hours. When clearinghouse clerks laboriously scrawled figures in bound books, balances were struck far more slowly than now, with mechanical accounting stepping up velocity. You might say that every transportation improvement since steam was applied to locomotion helped to encourage long-term, creeping inflation.

This queer circulating medium, consisting of good faith plus inky lines on passbooks, loan ledgers and checkbooks, was born when medieval Italian bankers noticed that clients who used them as depositories seldom wanted too much hard money at the same time. A bank holding \$10,000 gold could lend \$50,000 in bookkeeping credit

among several customers and take in five times the interest while reasonably sure that any day's cash withdrawals could readily be met.

In parallel, governments presently learned that they could issue \$100,000,000 in IOU's payable in gold against \$20,000,000 gold in the Treasury and still satisfy any given day's IOU-holders who wanted gold for paper, as the paper promised. Both stepped up effective money in circulation with no curb except the bank's or the government's discretion.

That is not always trustworthy. Governments presently legislated about bank reserves, setting crisp limits to the amount of notes or credit a bank could issue in proportion to cash in the vault. Such curbs alone prevent such "wildcat" banking as flourished in Andrew Jackson's time. But no laws will stick on governments themselves when the going gets rough, and the temptation to pay the bills with the printing press is often irresistible.

War is the usual occasion. In Germany, Italy, France, and China, our lifetimes have seen tragic, extreme examples of progressively cheapened paper money drowning economies weakened by the strains of war. The frequency of such examples in the past three centuries leads some ironical economists to maintain that the most

patronized—if not exactly the most popular—way to finance major war is more or less through inflation, which takes the cost out of the hides of fixed-income groups. For though prices may try to sag after the emergency, they practically never return to prewar levels because the money supply remains expanded. The corresponding jiggles in the charts of dollar prices since 1790 make it look likely that it was hang-overs from inflation-spawning war finance, as well as gold strikes, that encouraged that creeping, long-run loss of dollar values.

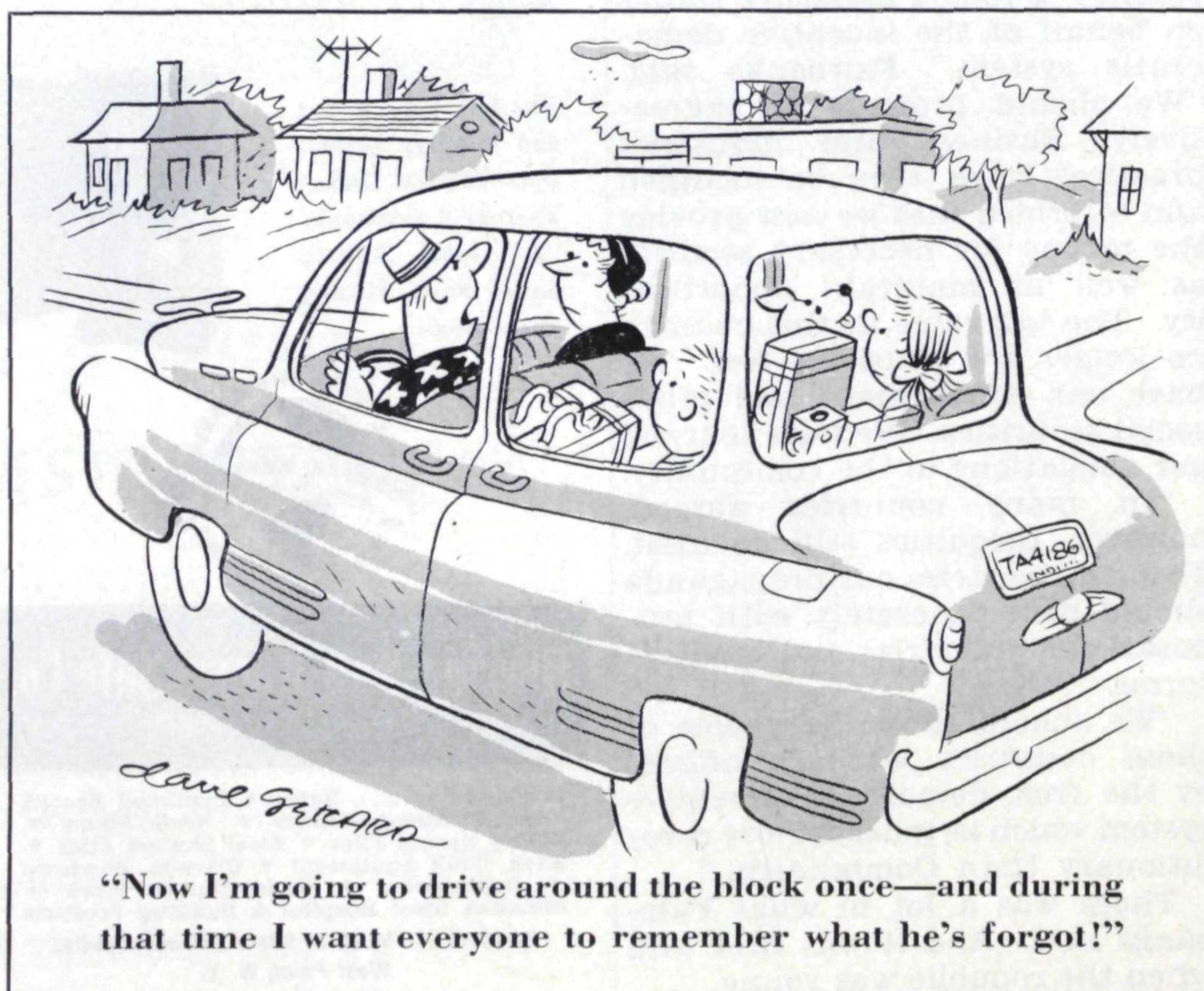
**S**OME of that happened in 1914-20, some in 1939-46. A public committed to dollars cannot afford to see it happen on a significant scale again in this third military emergency in 40 years. Not that anybody expects a flood of irredeemable greenbacks, such as helped to float the Federals in our Civil War. The reserve bank system can turn the same trick less conspicuously, which only makes the possibility more tempting to a government under the gun:

A modern commercial bank's reserves are not metal but, in one form or another, credits based on legally eligible U. S. bonds. If the Government needs emergency money, it can sell bonds at will to such a system, as was done on a mammoth scale—more than \$60,000,000,000 worth—during World War II. Every \$1,000 bond thus sold is inflationary, because the bank can use it as a reserve against which it can lend several times that much.

A war situation encourages plenty of borrowers. People build new plants for war orders, build up inventories and buy new equipment against expected price rises, invest in land or stocks as hedges against inflation. In effect, many such are selling the dollar short, using for that purpose money indirectly created by the very government presumably responsible for the dollar's well-being.

Fortunately there are some natural checks on inflation. In the old days money metals were often lost or sunk, removing them from the credit-creating reserves. More effective in industrial societies, however, is higher efficiency in production. Theoretically, if a nation's goods and services increase while its money supply stays steady, price levels gradually fall. This snubs inflation to the extent that man-hour production grows.

That applies to our current headache: Say defense prepara-





tion takes 30 per cent of the output of our farms and industries which previously went to civilians. That cuts down on goods and services just when emergency spending is already throwing the dollar-and-things ratio out of kilter. If a plant still making things for civilians can raise production per man-hour, however, to that extent inflation is checked.

It would help far more if consumers saw all this so clearly that they decided, for the duration, to buy nothing but necessities. But World Wars I and II put extra money in the hands of those who had had much less before—along with a you-can't-take-it-with-you attitude. Too many such leave the obvious patriotic duty of minimum spending to the fixed income or sluggish-pay scale people who, as it happens, have no other choice.

**THE PLAINEST** landmark on the only road to economic safety is the contention that Uncle Sam must pay the defense bill without enabling banks to spawn further fresh money. That has been the core of the row between the Secretary of the Treasury and the Federal Reserve Board—whether to increase interest rates on refunding bonds placed with banks and to continue Federal Reserve buying of U. S. bonds above par.

The Treasury naturally shrinks from even slightly heavier interest on the huge existing national debt of around \$250,000,000,000. But, unless most economists are dead wrong, higher interest should work out to less ready lending.

The alternative is "pay-as-you-go" by taxation, cannily as well as ruthlessly levied. For instance, taxes encouraging management to charge anything and everything to operating costs would probably do more harm than good. Low-bracket income tax hikes, which eat up too much take-home pay, will discourage "underemployed" women from bothering with war jobs. . . . But war is a luxury, and, if the citizen doesn't pay for it in taxes now, he will pay much less enjoyably later in what the chaos of extreme inflation does to him.

Courage to abandon easy money and to tax to the bone must be matched by government courage to economize. How much now goes in nonessential federal spending is anybody's guess. Estimates range from \$2,000,000,000 to \$10,000,000,000, depending on the politics and judgment of your witness. But only those with axes to grind deny that crucially deflationary savings are there to be made.

There is room for some government borrowing without feeding inflation, and this takes us back to the individual citizen again. If the Government sells you a savings bond, it is simply transferring your purchasing power to itself. This is a very different story from selling bonds to banks which pay for them out of newly created credit. If the individual can manage the self-control to lend Uncle Sam the difference between his net income and his minimum necessities, it's his own dollar he will be protecting.

Unfortunately, selling savings bonds will necessitate more energy and realism than were shown in the E-bond campaigns of World War II. In war plants you could frequently find—as I did—astonishing numbers of people so poorly briefed on these issues that they were hoarding paper dollars in the mattress instead of buying bonds that carried a little interest, unaware that there was no essential difference between these two kinds of paper bearing Uncle Sam's IOU. True, such hoarded dollars were staying out of mischief. But their owners showed practically no signs of ever encountering the burning issue of inflation prevention that underlay the whole E-bond project.

This time around, besides, Uncle Sam as salesman will meet plenty of 1941 E-bond buyers grown querulous on finding that "54-cent dollar" waiting for them at redemption in 1951. The \$100 duly paid on their \$75 investment will buy much less, thanks to intervening inflation, than could have been got for the \$75 ten years ago.

**SO FAR** suggestions as to new approaches that might improve E-bond sales all have flaws in them. Whatever is eventually done had better be good. The size of the debt left over from World War II means that the United States no longer enjoys the wide margin of safety that saw us through with half-measures last time.

Higher output per man-hour. Staggering taxes. An end to easy money. No more lazy loading of bonds on banks, instead of the tough assignment of peddling E-bonds. It all sounds like doing it the hard way with a vengeance.

The hard way it is. But the easier way—letting inflation rip with frantic efforts at price control as camouflage—would do Stalin too much of a favor. A still easier way would be to knuckle under to him to begin with. Then we'd have fewer dollar problems. What's a ruble worth? Whatever Stalin says it's worth.

## THE AMERICAN APPRAISAL COMPANY

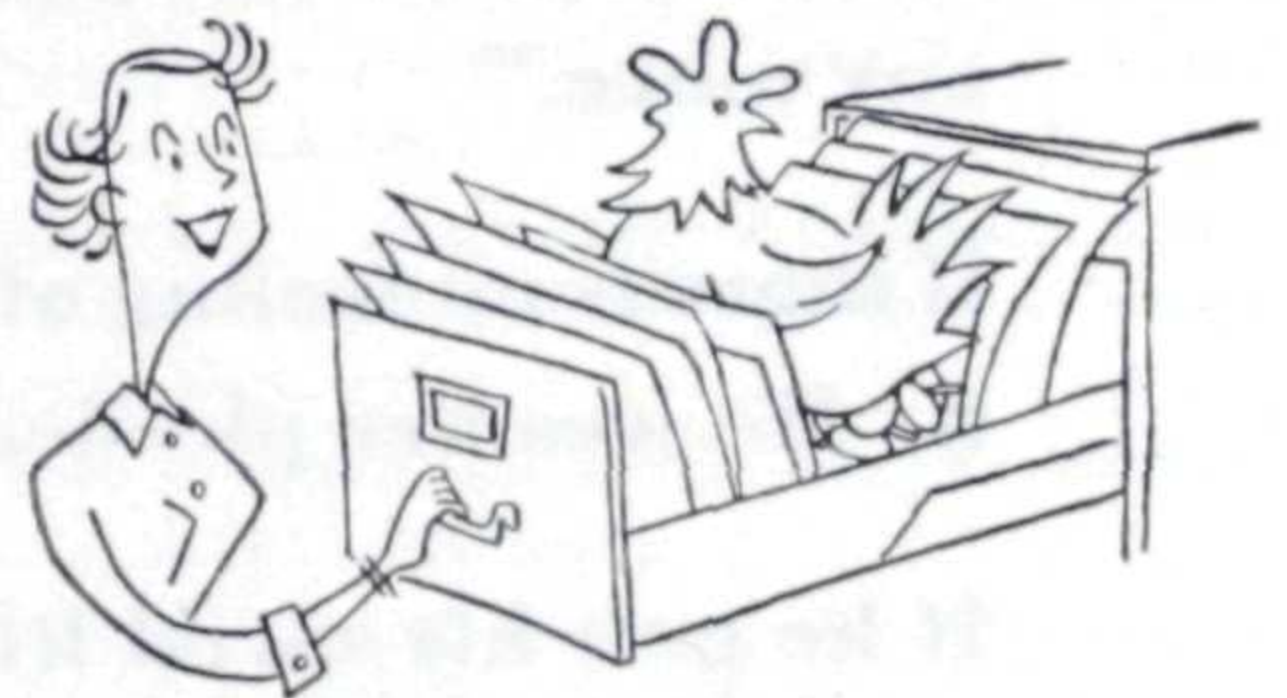


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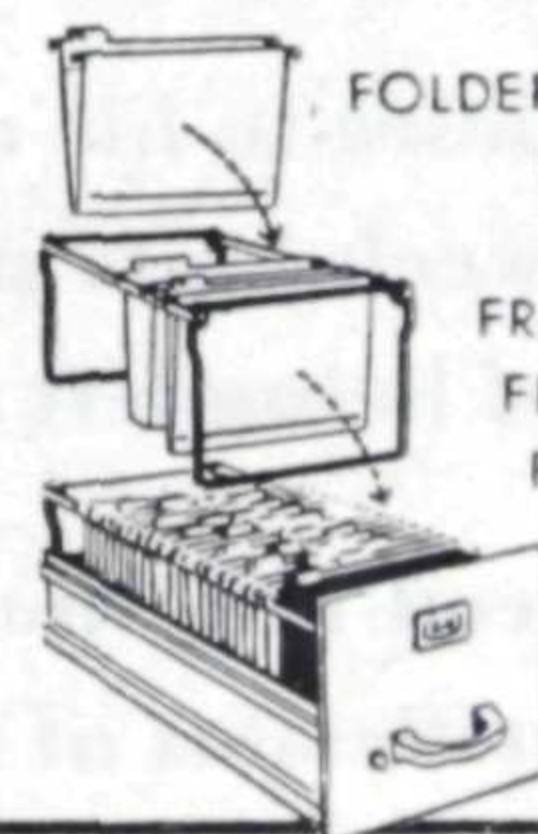
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# Why Couples Quit After 20 Years

(Continued from page 49)

attempt affirmative proof to an anxious self-questioning, "At my age, could I still interest someone young and attractive?" But here again a youthful corespondent is not the main clue to the breakdown of a marriage. The chances are that something was already wrong with it while she or he was still riding a tricycle.

Testifying some years ago before a congressional committee considering changes in the District of Columbia divorce law, Jean Boardman, attorney, stated that adultery is not a cause of divorce but the result of something else unsatisfactory. So, too, does Dr. Emily Mudd, executive director, Marriage Council of Philadelphia, give less weight to technical infidelity as such than to the basic strengths and weaknesses of husband-wife relationships. Out of her profound experience with marriages - in trouble and marriages salvaged she has found, for instance, that when

the sex relation in a marriage is good, and stabilizing, the chances of attraction to young outsiders are greatly decreased.

True, "last flings" do occur, even in previously untroubled and satisfactory marriages. But, says Dr. Mudd, "A wife with perspective, who doesn't make a fuss, can win out in a tug of war against 'the other woman.'" When a marriage is otherwise solid; when both partners know and feel it has values worth preserving, philandering may go no further than flirtation.

Though triangles are perhaps the most obvious disturbance to marriage, almost any of the conditions peculiar to middle age can fan into destructive flame whatever dissatisfactions and hostilities may have been smoldering for years. For example, though the endocrinological changes of the climacteric come at a later age to men than to women, so many Americans have wives younger than themselves that both mem-

bers of a couple may be passing through a period of depression, vague anxiety and crankiness at the same time. Instead of one's sustaining the other, each may get intolerably on the other's nerves.

Also, little annoying habits that once seemed negligible or even funny may begin to loom large. Your wife still has the medicine closet so cluttered with cosmetics that they tumble out every time you try to shave. You still keep in your pockets for a week the letters she gives you to mail. And the funny thing is, you'd think you'd both be used to these things by this time.

"What happens," explains Dr. Mudd, "is that when you're younger, you keep hoping that the person to whom you're married will change, so you are not too bothered by his or her annoying little ways. But when you are older, and give up hope of reform, if there's nothing big between you to hold you, the irritations mount. But if the major things between a husband and wife are all right, each continues to weather the minor ones. Or, to put it another way, if ten things are strongly wrong, the eleventh, however trivial, becomes that much harder to take!"

A study made by the Marriage Council shows clearly that when there's recognized trouble late along in married life, a great deal is and has been wrong. One hundred per cent of the matrimonial situations taken up with the Council by middle-aged people are classified, in its records, as "complex" or "very complex"—that is, they involve not one or two problems but ten to 15, with one case including as many as 26.

Even from the Census Bureau it is impossible to get complete national figures on the extent of divorce in later married years, for detailed information on marriage and divorce is admittedly scanty. But a compilation of data from 13 states gives some inkling. In these states, among a total of 77,209 divorces granted in 1948, 12,395 were to couples married 15 to 20 or more years.

Obviously, as wedding anniversaries follow one another, they do not assure increased conjugal security as if they were so many regular deposits in a savings bank. Time alone cannot prevent the smashup of a marriage that always has had cracks in it. But it is heartening to realize that as the years roll along, neither can they really endanger a marriage which is fundamentally sound!

## Things That Can Ruin a Marriage

**IF EITHER** party feels—or has reason to feel—a loss of personal importance. "He doesn't need me any more."

If there is no feeling of growing old together and liking it. He sees her physical faults, can't see his own.

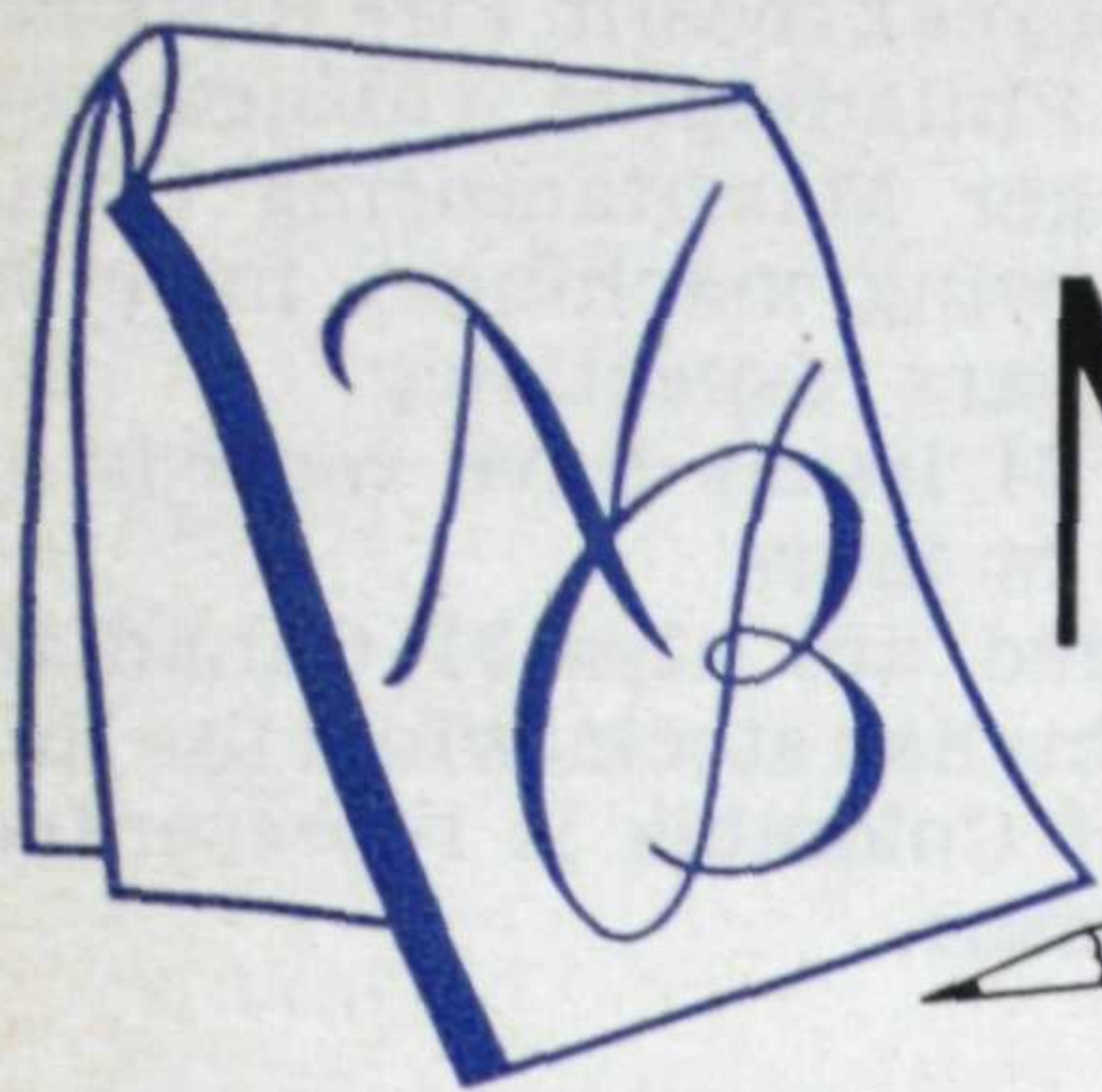
If he gets his social life outside—even with her along but wants dull quietness at home.

If he tends to tighten up on the family budget with advancing years, especially where she's helped him economize for years. Now she is asked to retrench further, at a time when they should be able to spend more freely.

If he turns more to his club or spends more time with friends on week ends playing golf and she develops the feeling of being left alone.

If she is forced into the company of women like herself, where criticisms of married life can flourish.





# NOTEBOOK

## Excessive taxes passed on

THE THEORY that high taxes are a necessary and practical means to stop inflation is challenged as "one of the major unexamined, unquestioned myths of the present decade" in a booklet, "Federal Taxation Without Regimentation," recently written by Frank Wilbur Main and M. C. Conick.

The writers, partners in Main and Company, certified public accountants, point out that an excessive tax take "automatically puffs up the national income, in this way:

"The man hit by excessive taxes passes them on, in one way or another, by a higher price for his labor. The business hit by excessive taxes hands them down through higher prices for merchandise or services. Inflated dollars buy less bread; they also buy less of the materiel required to rearm a nation. And so the Government must hike its tax rate again.



"Remember, there's more to fishing than just catching fish"

"The end result of such an unchecked spiral of inflation, of course, is economic collapse."

The main purpose of the booklet is to explain an "Incentive Tax Plan" developed by the writers and including these features; 1, Income taxes as income, whether received by an individual, partnership, or corporation; 2, Exemptions as high as possible, to leave income under the taxpayer's own control; 3, A graduated rate structure rising to a maximum of 50 per cent; 4, Elimination of such double, and therefore, unfair taxes as those on dividends and on undistributed surplus.

## Confederate money

SPEAKING of inflation, this is as good a place as any to notice that this phenomenon is also affecting Confederate money, and currency which, not long ago, was not "worth the paper it was printed on." It now not only has value—some of it has considerably more value than when it was printed.

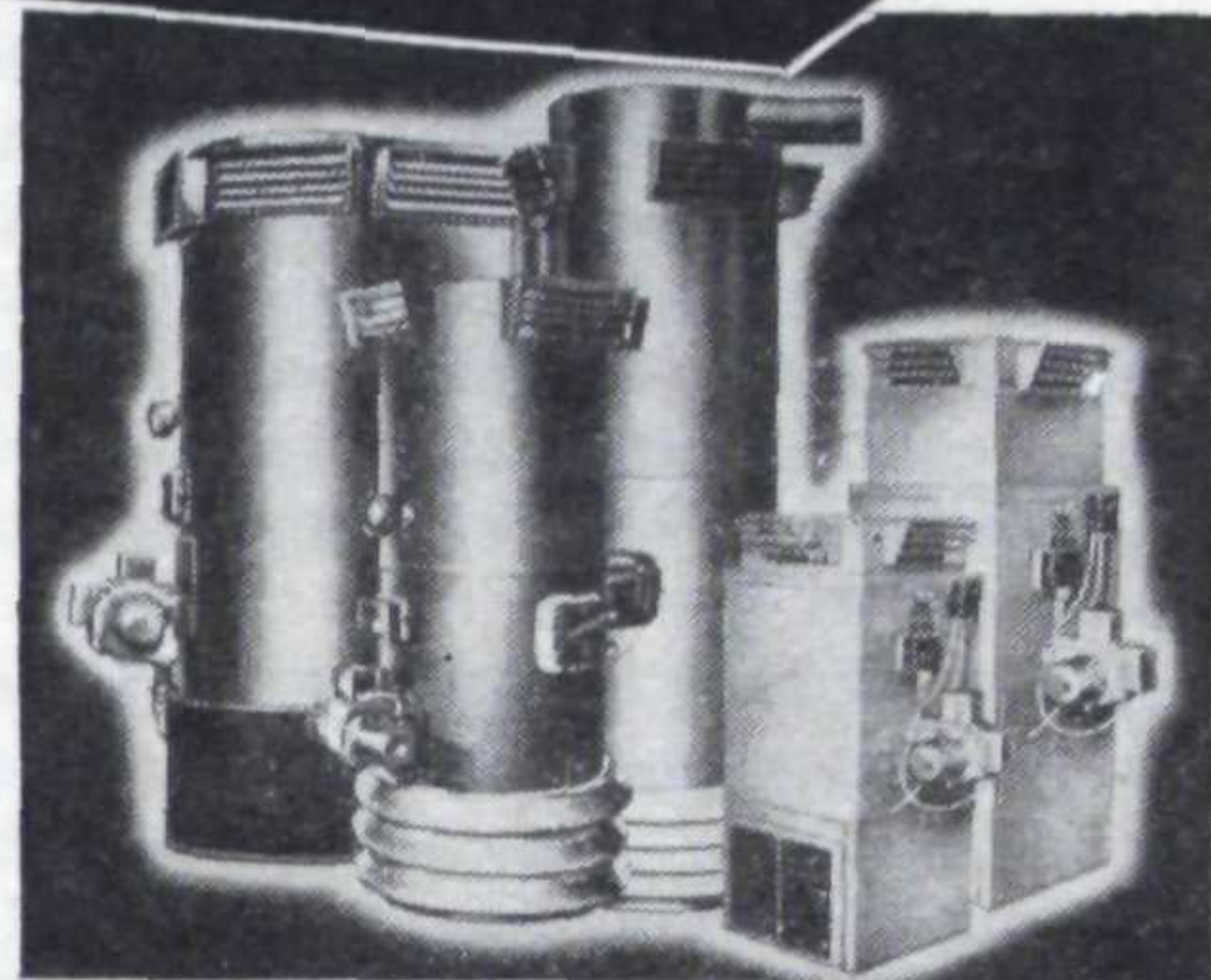
At least one southern bank—the Georgia Railroad Bank and Trust Company of Augusta—is redeeming its War between the States notes at face value. This bank paid \$50 in U. S. currency for an 1862 \$50 bill, just the other day. A Birmingham, Ala., collector, Harry M. Breed, Jr., wants to buy "all the Confederate money I can lay my hands on."

Of course, not all Confederate money is rare—there are 70 different types of Confederate bills, and many variations of these.

The two most valuable and highly sought Confederate bills are the \$500 and the \$1,000 bills issued when the Confederate capital was at Montgomery, Ala. (Ordinary \$500 bills from Richmond are not so rare.) Only about 650 of these were issued, and they now retail at about \$50 each.

If you should happen to locate the fourth Confederate half dollar of the four struck in 1861, you could get from \$1,500 to \$5,000 for it, depending on how badly some

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collector wanted it. It is listed in coin books at \$5,000.

The only reason that collectors advance for the recent increase in value of Confederate bills is the fact that they are becoming scarce, especially in "crisp" condition.

### Trading stamps

A NEW twist in sales promotion through the use of trading stamps comes from Salt Lake City, Utah, where the Keith-O'Brien department store places postage stamp-sized photos of all employees on sales slips, monthly statements and correspondence. Photos include sales force, office workers, warehouse people, delivery force, to a total of 39. Customers save the stamps and, when they have a complete set, turn them in and receive a voucher worth \$1 on purchases of \$10 or more.

### Safety record bettered

AMERICAN workers were a lot safer last year, the National Safety Council reports, in the new edition of "Accident Facts," its annual statistical yearbook.

Both frequency and severity of accidents were less than in 1949.

The frequency rate for all employees in industries submitting company reports to the Council, based on the number of disabling injuries per million man-hours, was 9.3 in 1950—down eight per cent from the year before. The severity rate, based on the number of days lost per 1,000 man-hours, was .94 last year, also down eight per cent.

The communications industry, with a long record of safety behind it, led in both classifications. Its frequency rate was 2.05, a four per cent reduction from 1949 when it also topped the list; and severity was down to .12, a 20 per cent drop from the preceding year.

### Dividends for decades

THE PROVIDENCE Gas Company, which paid its first dividend in the days of the California Gold Rush, heads the honor roll in the "Dividend Book" just issued by the New York Curb Exchange.

The book—officially called "Dividends for More than a Decade"—is an annual publication in which the Exchange lists all common stocks traded on that market which have not missed a dividend in ten or more consecutive years. This year 314 stocks are honored—as compared to 295 last year.

Providence Gas, with a consecutive record of 102 years, is well in

the longevity lead. Next comes Pepperell Manufacturing Company with a 99 year record. Fire Association of Philadelphia (insurance) and Singer Manufacturing Company (sewing machines) have 93 and 88 years respectively.

Some 24 issues have records of 50 years or more.

Included are also 31 Canadian and 17 English stocks while the Republic of Colombia is represented by one issue.

### Women don't like to shop?

JOSLINS department store in Englewood, Calif., has shaken our conception of women as congenital shoppers and bargain hunters. Joslins doesn't think they are and, for convenience of women who don't want to face crowds or wait for busy clerks to be free, it has installed a recording machine on a table near the entrance. Posters explain operation and, from 2:30 until 5:30 daily, a high school student is on hand to amplify these instructions.

A woman can dictate her list of wanted items to the machine and the filled order is delivered COD or on a credit basis if she has a charge account.

### City government studied

POPULATION growth and the increasing cost of municipal services which this growth entails is becoming a nationwide problem. In Mississippi, they are trying to do something about it.

"An Analysis of Income, Services and Operations of 24 Representative Mississippi Cities," reports the findings of a two-year study of civic difficulties and offers 40 recommendations.

The study is the work of the Mississippi Economic Council, organized some two years ago with 42 chambers of commerce, 24 trade associations and 2,000 business and professional men as members. The study of municipal government was the group's first project.

Members of the MEC staff visited 24 cities in the state, probing for weak spots and seeking solutions. Some of the common faults were:

Too many cities "don't know exactly how they stand" with reference to costs and incomes for general operations.

Too many aldermanic cities take no advantage of their right to appoint all department heads, thus taking departments out of politics. As a result, the struggle of running for office discourages many persons from municipal employment.



Although 30 per cent of the budget goes for street construction and maintenance, most cities do not keep accurate cost data and analysis of this work.

Law enforcement could be improved.

More cities should share in the fire insurance premium tax refund by bringing their fire departments up to date.

The report is being offered for guidance to any Mississippi city which asks for it. In addition the Council has planned 33 public meetings throughout the state, beginning in October to explain to citizens how they can improve city administration.

## Ambassadress of good will

HELPING an expectant bull pup or an epileptic canary, choosing living room drapes and advising about a problem cellar may seem fairly remote aspects of the business of finance, but they are part of the day's work for Mrs. Clare Maxwell Young of the First Federal Savings & Loan Association of New York.

She is the firm's "Ambassadress of Good Will," a post created by Pres. Harold C. Hahn to change the old axiom, "You never like the person you owe money to."

He reasoned that, in today's assembly-line-like procedure of home buying, lawyers, real estate brokers and other intermediaries assume all personal contact with the mortgagor.

"It would be nice," he thought, "if people could know we're not just a cold name but a friendly organization."

So he took Mrs. Young from her job as secretary to the president, gave her a 1949 car for transportation, a bundle of dime-savings books for children and sent her out to gossip about baby's croup, floor plans, and what-shall-I-have-for-dinner with mortgagors' wives.

Firmly refusing to learn anything about the mortgagor's personal finances or loan costs, Mrs. Young goes calling. Her closest approach to business is an album of photographs of First Federal's main office, its mortgage servicing department in action and personalities with whom the customer might come in contact. Often she is the first person the housewife has met since moving to the new home.

Invariably she's asked back again.

Meanwhile Mrs. Young's husband, Graham C. Young, secretary of the West Kentucky Coal Com-

pany, has built a seven-room house in Tenaflly, N. J.

"I know all the problems these women are facing," Mrs. Young says. "And I often wish for an ambassador of good will of my own."

## Swiss factory in America

WE TAKE pretty much for granted the American custom of building plants abroad to handle foreign business. When this trend is reversed, it may not be news, but it is certainly not commonplace. So we were interested in seeing the 100,000-square foot plant which Aluminum Foils, Inc., has just put into operation at Jackson, Tenn.

Aluminum Foils is substantially owned by the Swiss Aluminum Company of Lausanne and Neuhausen, Switzerland, and the new plant was designed by that company's engineers. Machinery, including slitting machines built to the company's own drawings, was supplied by American builders.

Aluminum Foils, known to the American aluminum industry through their sales of ingot during the past 30 years, hopes to combine technical knowledge of the Swiss company with American mass-production methods. Except for certain key technicians, plant personnel will be American.

## Mail order cheese

OUT IN Yokohama, Japan, Capt. Leonard Auger of White Bear Lake, Minn., thought up a gag to amuse George Winterstein, his friend, and secretary-treasurer of the White Bear Cheese Company.

He painted a sign, "White Bear Cheese Company, Mail Orders Filled," hung it in front of a Japanese store and photographed it.

He sent the snapshot to Winterstein with a letter, "thought you'd like to see your new Yokohama branch."

Then he forgot to remove the sign. A week later the Japanese merchant spotted him and began a frantic Japanese conversation which, translated, said, "Many soldiers come here to buy cheese. I have no cheese to sell."

So Captain Auger wrote another letter asking Winterstein for order blanks. Now, for every \$25 in orders coming from soldiers, the company sends ten pounds of cheese to the merchant to use as he pleases.

"We're hardly doing enough business to open a real branch in Japan," Winterstein says, "but we are getting about \$100 in orders every month."

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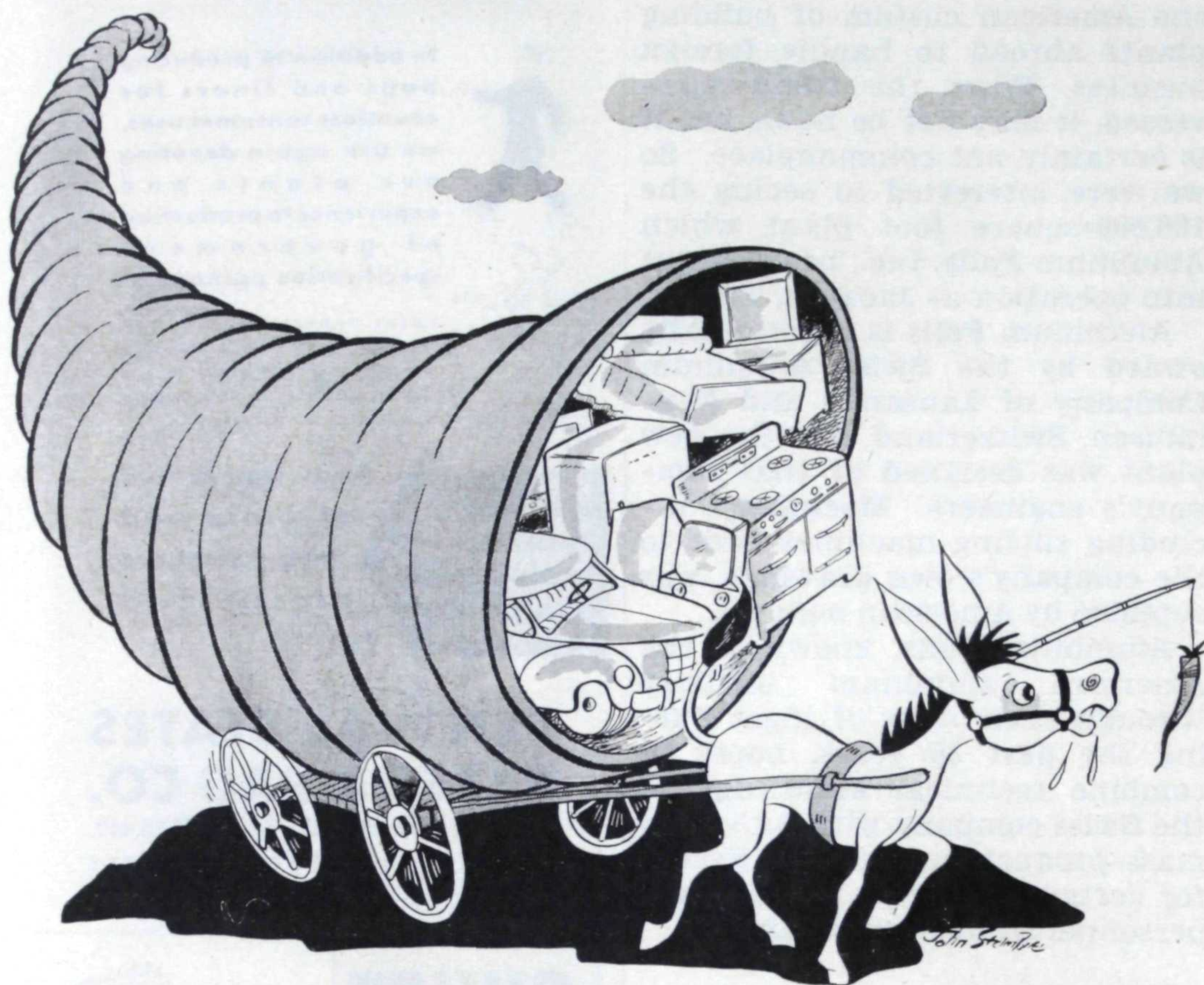
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# PROFIT IS THE Carrot



**T**HIS land of superlative accomplishment and magnificent aims has been setting more records. New highs have been reached in nearly all important business indicators expressed in dollars, such as national income, total personal income, the value of goods produced and services performed, and the volume of profits.

There is considerable pointing with pride at these new records. And also some criticism, pointed at profits. This has caused the Cleveland Trust Company, a venerable institution that has experienced many swings, both high and low, to take a look at profits.

The bank finds it not at all strange that 1950 profits as a whole were in line with the volume of business activity and the inflation of dollars.

It took a long look at the 35-year period starting with 1913 through 1947, the last year for which figures are complete, and found little indication that profits take more than a fair share of the national income. It recalls that in every year many corporations make no profit at all,

and that in many years the final figure of all corporations averaged together is written in red.

In no year during that 35-year span did the number of corporations reporting net income exceed 69 per cent of all corporations. And in 12 of these years less than half of all U. S. corporations made a profit. The others made losses.

Which helps to explain why, even in times like these, business finds it difficult to attract savings for investment in new machinery and plants, in research and exploration. For those who share industry's gains also share its losses.

**H**ow high are profits? The Securities and Exchange Commission has computed the 1950 sales dollars of all manufacturing corporations. A breakdown of the agency's figures shows that wages, salaries, materials and other expenses took 87.2 cents of each sales dollar. Taxes came to 5.7 cents. The remaining 7.1 was profit.

But the stockholders didn't get nearly all of that. Only 3.1 cents was paid out in dividends. Four

cents was retained to enlarge the business, and to help replace equipment worn out during the year.

Slightly more than three cents on the dollar seems to be a bargain rate to pay for the industrial system that provides American working people with the world's shortest hours, the greatest rewards, and the highest standard of living.

That three cents is the carrot that keeps the corporate donkey pulling.

A farm boy bought a young steer for \$100 at a county court sale and sold it to his neighbor for \$110 a few hours later on his way home. Did he make ten per cent profit, or 3,000 per cent?

It could be either, General Electric points out, depending on how you figure it. Three thousand per cent return on investment when figured on the annual average basis applied to a corporation's investment in plants, designs, machinery, inventories, accounts receivable and so forth.

General Electric uses this illustration in correcting what it calls the distorted and highly inaccurate picture of its profits presented to the House Committee on Banking and Currency by James B. Carey, CIO secretary.

Another objection General Electric raises concerns use of figures showing profits before taxes, which brings up the question: What is profit? Certainly there is no profit before taxes. It is the residue after all other expenses, including taxes.

Since the war there has been a remarkable stability in profits relative to the national income. Compensation shows the same relative stability.

Profits have ranged from eight to 9.5 per cent of the national income. Payroll compensation has averaged between 64 and 65 per cent.

That relative position is generally steady in prosperous times. It is broken, of course, when dips send profits down at a much greater speed than the decline in compensation.

The prosperous times relationship suggests the possible existence of an economic law. Perhaps above a certain level the present pattern in profits and compensation for labor is inescapable.

Perhaps if one is forced down the other must follow. If that is so, the union leaders demanding restrictions on profits may be demanding also limits on pay. In that case the laugh of the century is on the labor leaders. And also on all the rest of us.





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